



# **PARK VIEW AT EMERSON**

## **HOWARD COUNTY, MARYLAND**

### **DEVELOPER/OWNER:**

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### **PRACTICUM SUBMISSION TO:**

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**FINAL COPY SUBMITTED 11/9/06**



# PARK VIEW AT EMERSON

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## 1. EXECUTIVE SUMMARY

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The proposed Park View at Emerson project will be an affordable apartment community for income qualified senior citizens (62+) and will be located at the end of Palace Hall Drive, off of Skylark Boulevard in Howard County, Maryland. The owner of the project will be Emerson LLLP, the general partner of which will be Emerson Development LLLP. The partners of Emerson Development LLLP will be FAHS Development LLC. (49% general partner) and Howard County Housing Commission (51% general partner).

The building will be a four-story, L-shaped elevated building opening at 90 degrees situated on the 5.5 +/- acre parcel efficiently. The building will consist of (58) one-bedroom apartments and (22) two-bedroom apartments, mixed with targeted rents in the 30%, 40%, 50%, & 60% average medium income (AMI) ranges. To qualify for occupancy, persons must be over 62 years of age with incomes at or below 60% of AMI but at or above 30% AMI, per the Low Income Housing Tax Credit federal requirements. The building will feature several large common areas including a multi-purpose community room with adjacent warming kitchen, a laundry room, a computer/educational room, a "wellness"/medical consultation room, a salon area, an exercise room, lounge areas. Each of the units will include a fully-equipped kitchen, pass-through between the kitchen and dining area, 24-hour centrally monitored emergency pull cords in the bedrooms and bathrooms to signal for assistance, wall-to-wall carpeting, wiring for cable television and telephone, a tenant controlled lobby entrance system, and individually controlled and metered utilities. The exterior of the building will be a combination of brick and dryvit or vinyl siding. Exterior amenities will include a porch and trellis in the front of the building, featuring attractive seating and landscaping. There will be horseshoe pits, raised planting gardens and a barbeque area with surrounding picnic tables and gazebo on the site to encourage outdoor social activities. Park View at Emerson fits into a 570-acre master development of which 215 of acres will be permanent open space and contain sidewalks to promote additional physical and social activity.

As described further in this Report, the Sponsors will agree to set aside no less than 10% of the units for residents with special needs. The building will have twelve full handicapped units plus two units for visual/hearing impaired occupants. The development team itself, consisting of a proven developer, property management company, and local housing authority will be able to deliver the unique services described elsewhere in this application at very low cost to residents.

The site for the subject project is located immediately west of Interstate 95 within Emerson, a 570-acre master planned community in southeastern Howard County, Maryland. The site is served by Palace Hall Drive, a two-lane street that links to Skylark Boulevard within 0.2 miles and via Skylark to Gorman Road within 0.3 miles. The unincorporated Emerson district lies adjacent to the Howard County communities of North Laurel, Savage, and Scaggsville and south of Columbia's Village of King's Contrivance. Many

elements of this study will accompany The FAHS Group's application for competitive 9 percent Low-Income Housing Tax Credits. The proposed unit mix and rent structure is as follows:

Park View at Emerson Proposed Unit and Rent Distribution						
Unit Type	Target % of Median	# of Units	Net Rent	Square Footage	Rent/ Sq. Ft.	Utility Allowance
One Bedroom, One Bath	30%	6	\$308	654	\$0.47	\$60
One Bedroom, One Bath	40%	23	\$431	654	\$0.66	\$60
One Bedroom, One Bath	40%	1	\$431	675	\$0.64	\$60
One Bedroom, One Bath	50%	3	\$554	675	\$0.82	\$60
One Bedroom, One Bath	50%	3	\$554	680	\$0.81	\$60
One Bedroom, One Bath	50%	4	\$554	702	\$0.79	\$60
One Bedroom, One Bath	60%	18	\$677	702	\$0.96	\$60
<i>Subtotal/Average One-Bedroom</i>		58	\$516	675	\$0.76	\$60
Two Bedroom, One Bath	30%	3	\$362	846	\$0.43	\$80
Two Bedroom, One Bath	40%	3	\$510	846	\$0.60	\$80
Two Bedroom, One Bath	40%	2	\$510	925	\$0.55	\$80
Two Bedroom, One Bath	40%	7	\$510	935	\$0.55	\$80
Two Bedroom, One Bath	40%	3	\$656	966	\$0.68	\$80
Two Bedroom, One Bath	60%	4	\$804	1,123	\$0.72	\$80
<i>Subtotal/Average Two-Bedroom</i>		22	\$563	948	\$0.59	\$80
<b>Total/Weighted Avg</b>		80	\$529	750	\$0.71	

In addition to the tax credit equity, FAHS will apply for the state's Rental Housing Fund and also seek local funds from Howard County, who commonly participate in these types of developments. The development will yield a 5% management fee to FAHS Property Management. The Financial Sources and Uses are as such:

**Total Uses:**

Land	\$1,200,000
Hard Costs (Construction)	\$7,061,040
Design Fees	\$350,000
Contingency (Hard & Soft)	\$403,052
Developer Fee	\$1,393,037
Other Soft Costs	\$1,335,003
Total Uses:	\$11,742,132

**Total Sources:**

Tax Credit Equity	\$7,549,830
1 <sup>st</sup> Mortgage	\$1,696,751
Rental Housing Fund	\$1,500,000
Howard County Funds	\$700,000
Developer Deferred Fee	\$295,551
Total Sources:	\$11,742,132

The property's first mortgage will be an FHA insured loan, which grants a 40-year amortization term, a 1.11 Debt Service Coverage, and 90% loan to value ratio. AGM Financial Services will likely be the FHA/HUD first mortgage provider. More on the finances for the project can be found in Section 5 of this report.

Park View at Emerson will help to meet the continuing urgent need for affordable elderly housing for the residents of the newly developed Emerson area of Howard County. FAHS Development will be able to develop quality apartments designed for the special needs of the elderly at rents lower than those of existing market-rate apartment communities in the area. The market is very strong for this product as demonstrated by the Market Study (Section IV of this Report) and currently extremely high occupancies and waiting lists at similar projects exist in Howard County and the local market area.

Development of affordable housing in today's politically charged NIMBY-ist environment is very difficult. Park View at Emerson represents an important affordable housing resource that can help address the continuing need for affordable housing for the senior citizens of Howard County. FAHS has spent significant time and attention on addressing the Community Development Administration's (CDA) comments from our meeting and feels that Park View at Emerson constitutes a very strong proposal.





## **2-A. PROJECT DESCRIPTION**

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The subject community, to be known as Park View at Emerson, will be an 80-unit independent, age-restricted rental apartment community situated in a four-story single structure situated along the east side of Palace Hall Drive, 0.2 miles south of Skylark Boulevard, within 0.3 miles of Gorman Road, and immediately west of Interstate 95. The project will be submitted in an application to the Maryland Community Development Administration for competitive 9 percent Low-Income Housing Tax Credits. FAHS Development intends to position the one- and two-bedroom units at Park View at Emerson to address householders aged 62 and over. The 80 units will be targeted to households earning 60 percent, 50 percent, 40 percent, and 30 percent of Area Median Gross Income (AMGI) or less.

The Shelter Group intends to apply to the Maryland Community Development Administration for 9 percent Low-Income Housing Tax Credits to raise equity for the project. Under the LIHTC program, all of the rental units at Park View at Emerson would be restricted to households earning no more than 60 percent of the Area Median Gross Income (AMGI) for the Baltimore PMSA as defined by HUD. Table 1 presents HUD's 2006 maximum incomes by household size and number of bedrooms as well as the maximum rents by number of bedrooms for the subject region.

Shelter Group plans to serve senior households within a variety of income cohorts by offering units to households at or below 60 percent (22 units), 50 percent (10 units), 40 percent (39 units), and 30 percent (9 units) of AMGI. Architectural plans for Park View at Emerson include 58 one-bedroom units and 22 two-bedroom units. There are six different one-bedroom floor plans and six different two-bedroom floor plans. The proposed rents and square footages of the 80 units, organized according to income targeting and bedroom size, are as follows:



Park View at Emerson Unit Mix						
Unit Type	Target % of Median	# of Units	Net Rent	Square Footage	Rent/ Sq. Ft.	Utility Allowance
One Bedroom, One Bath	30%	6	\$308	654	\$0.47	\$60
One Bedroom, One Bath	40%	23	\$431	654	\$0.66	\$60
One Bedroom, One Bath	40%	1	\$431	675	\$0.64	\$60
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One Bedroom, One Bath	50%	4	\$554	702	\$0.79	\$60
One Bedroom, One Bath	60%	18	\$677	702	\$0.96	\$60
<i>Subtotal/Average One-Bedroom</i>		<i>58</i>	<i>\$516</i>	<i>675</i>	<i>\$0.76</i>	<i>\$60</i>
Two Bedroom, One Bath	30%	3	\$362	846	\$0.43	\$80
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Two Bedroom, One Bath	40%	3	\$656	966	\$0.68	\$80
Two Bedroom, One Bath	60%	4	\$804	1,123	\$0.72	\$80
<i>Subtotal/Average Two-Bedroom</i>		<i>22</i>	<i>\$563</i>	<i>948</i>	<i>\$0.59</i>	<i>\$80</i>

The rents listed above will include water/sewer and trash removal utilities. Other utilities (i.e. gas, electricity) will be the responsibility of tenants. The assumed utility allowances to cover these additional utility expenses are \$60 per month for one-bedroom units and \$80 for two-bedroom units. The net rents represent the maximum allowable rents under the program for each of the unit types (i.e., 60, 50, 40, 30) multiplied by 92% and the utility allowances subtracted from that amount. The resident would be responsible for any increase in utility expenses up to the maximum allowable rents for the unit. The developer would be responsible for utility expenses above that amount. Charging 92% of maximum rents before subtracting utilities widens the income bands, giving the developer flexibility during the lease-up phase to increase rents if the market allows.

A variety of standard features will be included within individual units at Park View at Emerson. Shelter Group will provide a refrigerator, range, dishwasher, microwave, and garbage disposal in each unit. Bathrooms will contain heating units. All units will be wired for high-speed Internet access. Many units will have walk-in closets.

Park View at Emerson will be equipped with many community amenities. Tenants will have access to a community room with a kitchenette, a central laundry facility, a multi-media center, a salon, and an exercise room that doubles as a venue for visiting consultants/programs. An on-site manager's suite and maintenance office will be included. An electronic, secured building entry will be a primary safety feature of the community.

Beyond the walls of the building, the Park View at Emerson site will offer several outdoor amenities. A front porch, rear patio, and gazebo will provide shaded sitting areas. A lawn to accommodate bocce ball and croquet and a barbeque pit will be provided. Shelter Group will design sidewalks to link to the existing/forthcoming public sidewalk system of Emerson as well as a walking path to the on-site pond. Planting areas at such a level that they will be accessible to individuals seated in chairs will likely be incorporated into the site landscaping to allow residents the opportunity to maintain gardens.

## **2-B. SITE DESCRIPTION & ANALYSIS**

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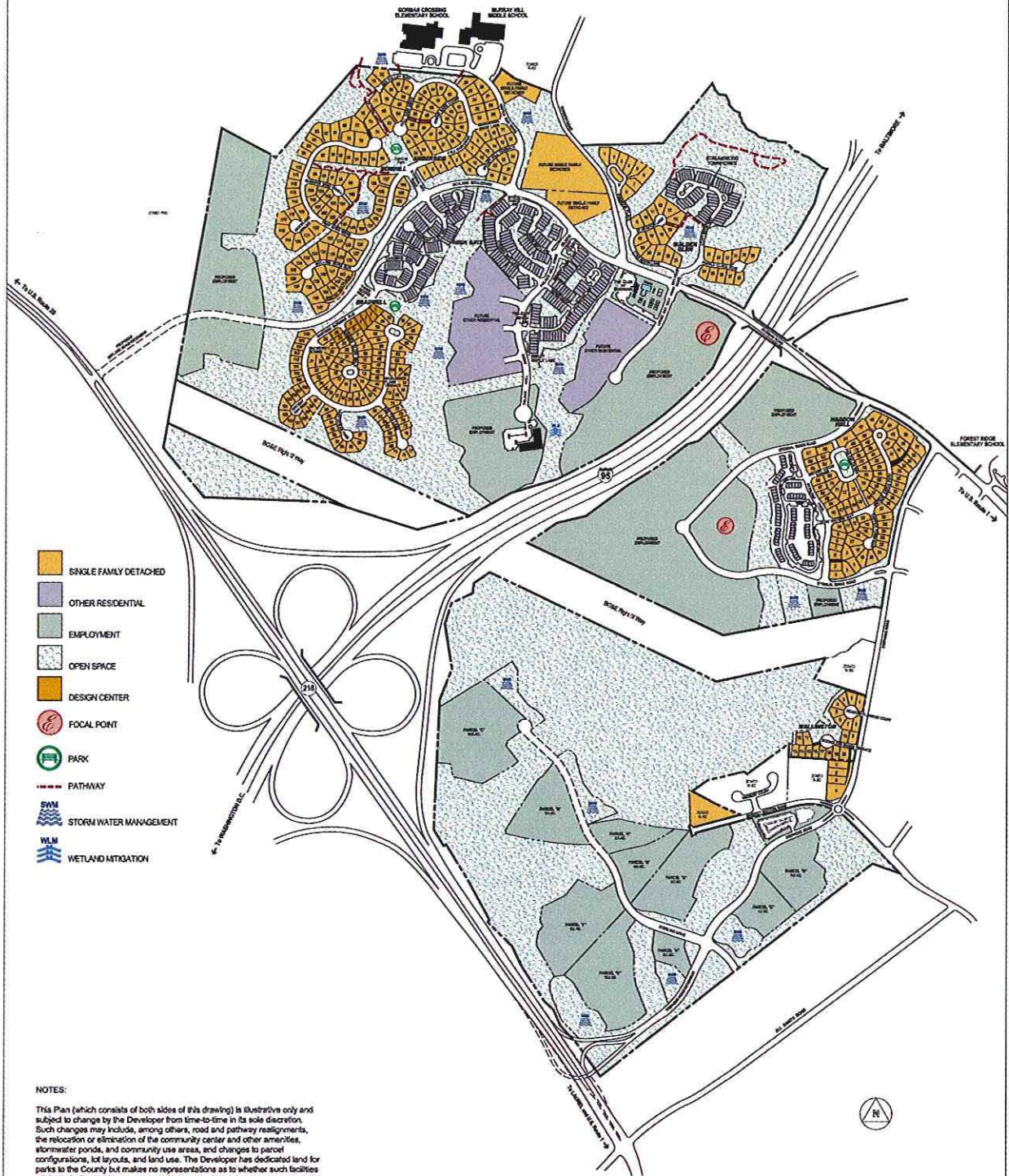
The overall Emerson planned unit development straddles Interstate 95 in the southeastern portion of Howard County, Maryland. The enclaves of Emerson are spread over 570 acres and have Laurel addresses/zip codes. Emerson is situated immediately to the south of the master planned community of Columbia. The corporation responsible for the planning of Emerson, known simply as The Emerson Corporation, is an affiliate of General Growth Properties, Inc. The predecessor of General Growth Properties, the Rouse Company, was the developer of Columbia. The involvement of Rouse and now General Growth has resulted in a development process and style that are very similar to those employed over approximately four decades of growth in Columbia. In fact, as Emerson was being conceptualized serious consideration was given to including Emerson as a neighborhood within the Village of King's Contrivance, the southernmost of Columbia's nine villages.

The proposed site for the Park View at Emerson age-restricted rental community covers approximately 5 acres within the western half of Emerson. The site lies along the east side of Palace Hall Drive, approximately 0.2 miles south of Skylark Boulevard (Map 1). Palace Hall Drive is an approximately 0.3-mile long street that ends in a cul-de-sac. Palace Hall Drive was constructed recently to provide access to the subject parcel and surrounding parcels. The portions of the street south of Evening Bird Lane, including the portion that passes the subject site, are not yet open for vehicular access.

The subject site is presently somewhat hilly and undeveloped; however, General Growth Properties has installed the infrastructure to the site (i.e., water & sewer, roads, and the common area landscaping). Some segments are lightly wooded and some are covered in grasses and bushes. A stormwater management pond occupies a portion of the parcel. There are no existing permanent structures on the site. Overall, the parcel lies below the grade of the land to the north, and roughly level with the I-95 right-of-way to the east.



# Emerson



## NOTES:

This Plan (which consists of both sides of this drawing) is illustrative only and subject to change by the Developer from time-to-time in its sole discretion. Such changes may include, among others, road and pathway realignments, the relocation or elimination of the community center and other amenities, stormwater ponds, and community use areas, and changes to parcel configurations, lot layouts, and land use. The Developer has dedicated land for parks to the County but makes no representations as to whether such facilities will be built. No builder or contractor is authorized to make any representations about present or future development plans for Emerson including the status of the Plan and Buyers may obtain current information from the Developer's representative at 410-962-6028. Buyers are also responsible for reviewing publicly approved development plans on file at the relevant agencies of the County and Developer reserves the right to seek amendments to such plans in its discretion.

Community Use Areas may be privately or publicly owned, left in their natural state, or improved by the government, the Developer, or the Homeowners' Association with recreational amenities or other facilities and facilities. Community Use Areas may also be used for community gatherings such as picnics, art shows, carnivals, and other activities typical and customary for a planned community. These areas may also contain environmental protection measures such as water quality basins, storm water management ponds, man-made wetlands, and forest conservation areas which are shown on plans on file with the relevant agencies of the County and are subject to change.

## Distance To:

Columbia Town Center	6.3 Miles
Route 29	2.3 Miles
BMW Airport	16.3 Miles
Fort Meade	6.7 Miles
I-495 Baltimore Beltway	14.3 Miles
I-495 Washington Beltway	12.3 Miles

Distances are calculated from the intersection of Columbia and Washington Turnpike.



SCALE  
0 200 400 600 800



Interstate 95 lies directly to the east of the subject property. The parcels immediately surrounding the subject site to the south, west, and northwest are presently undeveloped (Figure 2). The Emerson master plan calls for the development of these parcels with commercial employment uses. Many of the parcels have been cleared of vegetation and basic site grading seems to have occurred. The exact future of the parcels is unknown, particularly given the fact that the subject site is also part of what was initially slated as an employment area. Presumably, residential uses including single-family detached or attached and multi-family uses may also be considered for these undeveloped sites. The parcels to the north and northeast of the subject site are also slated for new development, though several existing, older single-family detached houses currently occupy the land. A buffer of open space is expected to be preserved between the subject site and any new residential or employment uses on these northern parcels.

Moving beyond the perspective of the immediately adjacent parcels, the Park View at Emerson site is located within a district of Howard County that has undergone a significant transformation over the past several years. Infrastructure and residential development primarily associated with the Emerson master planned community has reinvented a previously rural area along both sides of the Interstate 95 corridor since 2001.

The nearest of the newly developed Emerson subdivisions to the Park View at Emerson site is Skylark Ridge at Emerson, a for-sale townhouse project located at the north end of Palace Hall Drive. Skylark Ridge lies along the west side of Palace Hall Drive, with addresses on Evening Bird and Snow Bird Lanes. The builder, Troutman Communities, constructed more than 80 two- and three-story townhomes at Skylark Ridge primarily during 2005. Troutman is currently marketing the remaining unsold homes at prices in the mid-\$400s.

The Williamsburg Group currently has a site development plan under review by the Howard County Planning and Zoning Department proposing 45 for-sale townhouses on the parcel on the southeast corner of the Palace Hall Drive/Skylark Boulevard intersection. Immediately to the east of the Williamsburg parcel is The Club at Emerson (photo to the right), a recreational swim and tennis club intended to serve Emerson residents. The



Club's official address is 8400 Upper Sky Way. Adjacent to The Club, a large, old single-family detached house occupies the parcel that abuts I-95. The parcel that contains the historic mansion is proposed as an employment center. The master planner of Emerson envisions a village center retail concept here, potentially including a grocery store. General Growth Properties (GGP) has

entitlements for as much as 100,000 square feet of retail space on the parcel. GGP is engaged in preliminary discussions with potential future tenants of the retail center, though no specific plans are in place.

The remainder of the western half of Emerson is comprised of several completed single-family detached and townhouse subdivisions, Murray Hill Middle School, and Gorman Crossing Elementary School. Each of these land uses is accessed via either Skylark Boulevard or Gorman Road. Skylark Boulevard reaches a dead end approximately 0.75 miles west of Palace Hall Drive. Less than one-tenth of a mile east of Palace Hall Drive, Skylark Boulevard merges imperceptibly into eastbound Gorman Road. The reason for the imperceptible merge is that Gorman Road forms a right angle, such that those traveling eastward on Skylark find themselves on Gorman Road eastbound simply by staying straight, but must make a sharp left turn to proceed northward on Gorman. Just north of the Skylark Gorman intersection, Gorman Road passes into a sparsely developed rural area beyond the northern boundary of Emerson. The rural district continues for approximately 1.5 miles before Gorman emerges in a district of established suburban-style single-family detached subdivisions. The combination of Gorman Road and Murray Hill Road, meanwhile, connects the Park View at Emerson site to the densely developed Columbia village of King's Contrivance within 2.2 miles.

The segment of Gorman Road that travels eastward serves as the only direct link between the western and eastern halves of Emerson. East of the Gorman Road bridge over I-95, the only structures built to this point as part of Emerson are single-family detached homes in the Haddon Hall enclave, which lies southwest of the intersection of Gorman and Stephens Roads. Construction is underway on the few remaining lots within the 87-lot subdivision. The subdivision contains a small pocket park/playground area. A major new residential subdivision that is not within the realm of Emerson is also nearing completion along the north side of Gorman Road at Stephens Road. Homebuilder Miller and Smith is currently marketing 2,800- to 3,200-square foot luxury garage townhouses with prices beginning in the high \$700s at the gated community.

To date, work on the eastern half of Emerson has been focused on infrastructure and site preparation. Major projects completed to date have included the construction of an extension of Stephens Road between Whiskey Bottom Road and Route 216, an interchange at Stephens Road/Route 216, and a new roadway to serve future employment uses named Sterling Road.

The U.S. Route 1 (Washington Boulevard) corridor is accessible within approximately 2.5 miles of the subject site either via either Gorman Road or Whiskey Bottom Road. Route 1 is the traditional commercial anchor of eastern Howard County, and continues to be home to many of the



amenities serving residents of communities such as North Laurel, Savage, and now Emerson. The corridor is lined with convenience retail and personal service establishments as well as hotels/motels, industrial/commerce parks, auto-related establishments and other amenities.

## **2-C. ZONING ANALYSIS**

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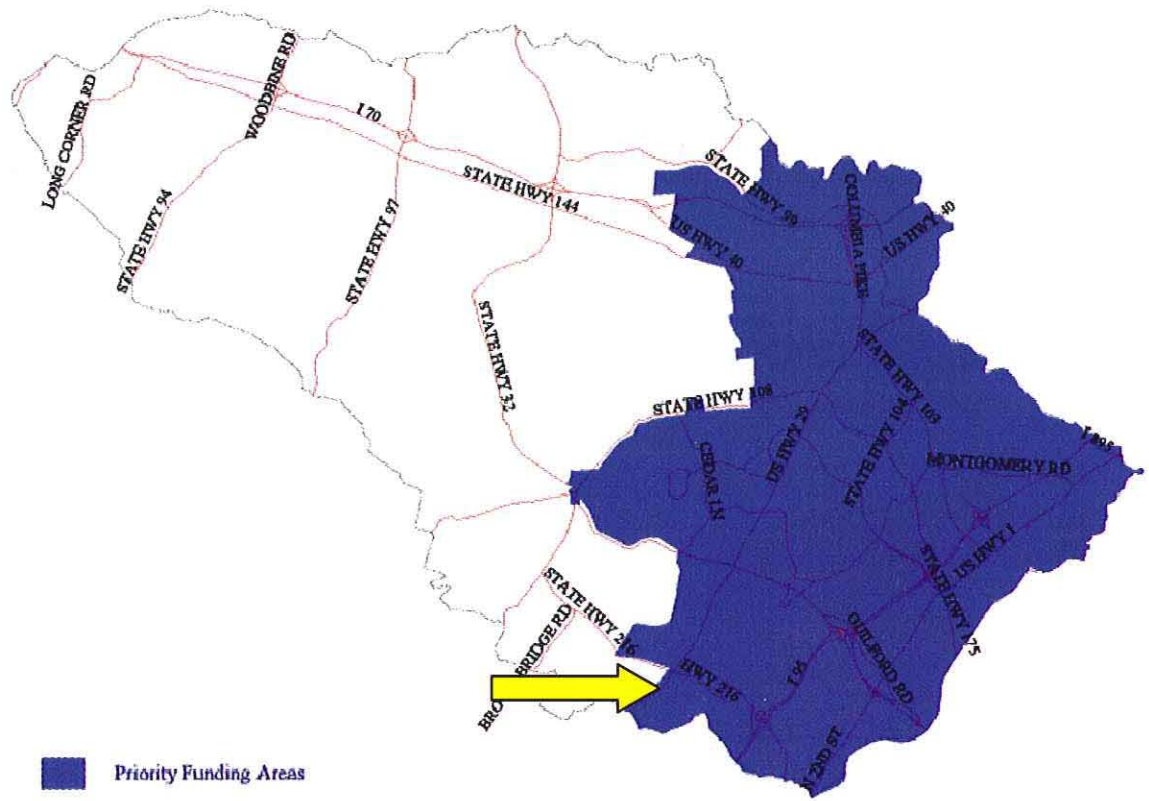
FAHS Development has consulted with Howard County's Department of Planning and Zoning and has obtained a letter from the Chief of Division of Public Service and Zoning Administration stating the following:

*"The subject property is zoned PEC-MXD-3 (Planned Employment Center-Mixed Use Development) and the use regulations for the Property are governed by the Preliminary Development Plan and Criteria approved in Zoning Board Case No. 979M and the Development Criteria approved under Planning Board Case No. 339 on August 26, 1999 (the "Governing Requirements"). Based on the Governing Requirements, the Property is designated Employment. This designation is specifically noted by the Governing Criteria as permitting all uses permitted in the POR (Planned Office Research) zoning district. In the POR District, an age-restricted adult housing use is permitted as a matter of right. Therefore, the Proposed Use is permitted on the Property as a matter of right. Additionally, Howard County's Emerson Community is located in the Route 1 Corridor Revitalization Area and the development is consistent with Howard County's Consolidated Plan (FY 2006-FY 2010) and Howard County's Action Plan to develop additional affordable housing units for the community. Park View at Emerson directly contributes to each of these revitalization plans for the area."*

All projects involving any new construction must be located in a Priority Funding Area (PFA) under Maryland's Priority Places initiative to qualify for the Low Income Housing Tax Credits. A listing of the PFA's can be found on page 20 of Maryland's Multifamily Rental Financing Program Guide. Below is the PFA map that confirms Park View @ Emerson's location—the yellow arrow marks the site's location.



## PRIORITY FUNDING AREAS IN HOWARD COUNTY



## 2-D. SITE CONTROL—LETTER OF INTENT

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### LETTER OF INTENT TO PURCHASE

March 28, 2006

FAHS Development LLC ("Purchaser") offers to purchase from General Growth Properties ("GGP" or "Seller") that certain parcel of land defined hereunder in Howard County, Maryland, subject to the following terms and conditions.

- (1) Land – (Land Description to be inserted)
- (2) Purchase Price - \$1,200,000.
- (3) Deposit - Within five (5) days after the full execution of a detailed Contract of Sale, the Purchaser will deposit \$15,000 with Continental Title Company of Baltimore, Maryland which will serve as Escrow Agent (the "Initial Deposit"). This Initial Deposit will be fully refundable during the Feasibility Period. At the end of the Feasibility Period, the Initial Deposit shall be delivered to the Seller. If the Initial Deposit is not delivered to the Seller because the Purchaser withdraws its intention to purchase prior to the end of the Feasibility Period, neither party under this Letter has any obligation to the other, except that all land studies performed by the Purchaser will be given to the Seller.

Within five (5) days after Purchaser receives written notification of the award of low income housing tax credits and subordinate financing by the State of Maryland sufficient for the development of the Project, Purchaser shall make an Additional Deposit of \$40,000. The Initial Deposit and the Additional Deposits (collectively, the "Deposit") shall be applicable to the Purchase Price and shall be non-refundable once delivered to the Seller except in the event the Seller defaults on its obligation to sell the Land.

- (4) Feasibility Period - This period will commence upon full execution of this Letter of Intent and will terminate on August 15, 2006. During this period, the Purchaser shall complete its market analysis, diligently apply for and pursue any required zoning approvals (including any rezoning or variances which may be required), as well as perform tests to the Land including environmental studies, soil tests, etc. to determine the feasibility of the development.
- (5) Settlement - Within thirty (30) days from the time Purchaser is in receipt of the necessary approvals, permits and financing, but no later than July 31, 2007. The Contract will include a provision allowing an extension of the settlement date until no later than June 30, 2008.

Provided that Purchaser has received written notification of the award of low income housing tax credits and subordinate financing by the State of Maryland as indicated in Paragraph 3 above, but prior to having satisfied the conditions of this paragraph above, either party may request that the parties will proceed to Settlement under the following terms:

- At Settlement, Purchaser will pay the Seller the difference between all Deposits previously paid and twenty percent (20%) of the Purchase Price. The Seller will provide interim non recourse financing in the amount of the difference between the Purchase Price



and the cash payment to Seller, secured by a first lien on the Land.

- Such financing will accrue interest at 8% per annum and will be due and payable on or before the final Settlement date allowed under this Letter of Intent.
- The financing will include an agreement by Purchaser to reimburse Seller, in the event of a default by Purchaser under the terms of such financing, for any costs incurred by Seller in enforcing its rights and remedies including, but not limited to, obtaining title to the Land by foreclosure, deed in lieu of foreclosure or otherwise.

(6) Contingencies - Settlement will be contingent upon the Purchaser obtaining necessary financing, all zoning and special exception and variance approvals, Site Development Plan (SDP) approval, and allocation of State and County financing from all required governmental authorities to construct and operate approximately 80 units of rental housing for senior citizens. Buyer agrees to diligently pursue the approvals, and a schedule for activities related to SDP approval and applications for other approvals will be negotiated in the Agreement of Sale.

(7) Settlement Costs - Transfer taxes and deed recordation expenses shall be paid by the Purchaser. Seller shall be responsible for any agricultural transfer taxes. Costs such as property taxes and assessments which are typically prorated will be prorated between Purchaser and Seller as of the date of Settlement. Purchaser will pay for recording any mortgages on the Property, and Seller will pay for the release of any liens on the property.

(8) Sellers' Development Obligations

- a. Water and Sewer - A public water line exists and a Sanitary Sewer line exists adjacent to the property. The extension of such facilities from the existing point of installation to the improvements to be constructed upon the parcel, and all connection, meter, and vault charges would be paid for by the Purchaser.
- b. Telephone, Electric, and Natural Gas Service - Verizon and BGE will install telephone, electric, and natural gas services to the site. GGP shall use reasonable efforts to coordinate the installation of these utility services so that they are adjacent to the property line of the parcel. As with water and sewer, Purchaser shall be responsible for all connection, meter and vault charges required by the utility companies for service extensions.
- c. Storm Water Management - Storm Water Management for both water quantity and water quality has been provided in adjacent Regional facilities, which will be constructed by GGP, at its expense. The County may require additional water quality on-site, which will be at Purchaser's expense.
- d. Additional Charges - Purchaser shall be responsible for paying any other fees, excise taxes, permits, etc. assessed against the parcel.
- e. Subdivision - GGP shall cause the Premises to be a separate tax parcel in a manner which accommodates the proposed Project, including driveway and utilities access to Snowden River Parkway, as conceptually depicted in Exhibit A.
- f. Construction - GGP shall be responsible for all approvals and permits necessary to perform all of its development obligations. GGP shall have no responsibility to obtain any permits and approvals for the construction of the Purchaser's

improvements other than what is described above.

- (9) Real Estate Taxes - GGP shall cause the Premises to be a separate tax parcel and Purchaser would pay all real estate taxes levied on the Premises after Settlement.
- (10) Use and Operation - Purchaser agrees that it shall construct and operate Senior Housing and/or Congregate Care facilities on the Premises ("Planned Use"). A list of prohibited uses on the Premises will be negotiated between Purchaser and Seller along with the Agreement of Sale. At a minimum, all retail uses, including Grocery Store/Supermarket, Liquor Store, Fast Food, Restaurant, Banks, and Gas Stations will be prohibited.
- (11) Design Guidelines - The original construction on the site and any subsequent alterations to the exterior appearance, including signage, would be subject to review by GGP's Architectural Review Committee in accordance with site specific Design and Development Guidelines, which will be developed and mutually agreed upon during the Feasibility Period.
- (12) Title - At closing, the Seller shall deliver to the Purchaser (by special warranty deed) its fee simple interest in the Land, subject only to such permitted exceptions as Purchaser's Counsel shall approve or which are specified in the Agreement of Sale. The Purchaser, at its own expense, will obtain an owner's form ALTA Title Insurance Policy, insuring the purchasing entity's fee simple interest in the Land.
- (13) Documentation - Within three (3) days of signing the Letter of Intent, the Seller will give the Purchaser copies of all relevant material in its possession relating to the Land, including but not limited to title reports, soils reports, environmental studies and engineering studies.
- (14) Right of Entry - The Purchaser at its own expense and with no liability to the Seller will have the right of entry onto the Land during the Feasibility Period and the Contract Period to conduct architectural, engineering and other tests, surveys and studies.
- (15) Zoning and Other Approvals - The Seller will give the Purchaser the support necessary for obtaining any required approvals (including any rezoning or variances which may be required), site plan approvals, subdivision approvals and other building approvals to be obtained from local authorities, including but not limited to signing applications, plats etc.
- (16) Brokerage Commissions - It is understood and agreed that there is no broker or agent who might be entitled to any fee, commission or compensation for this transaction.
- (17) Exclusive Negotiating Period - Upon execution of this Letter of Intent by all parties, Seller grants to Purchaser an Exclusive Negotiating Period concurrent with the Feasibility Period to conclude an Agreement of Sale. Seller and its agents shall refrain from any marketing or negotiations with others concerning the sale of the Property.
- (18) Assignability - This Letter and the Contract is fully assignable to a partnership whose general partners will include the Purchaser, provided that Shelter remains liable for the performance of the Agreement of Sale.
- (19) Expiration - This letter of Intent will be withdrawn if not executed by the close of business on April 7, 2006.

Agreed, understood and accepted this \_\_\_\_ day of

PURCHASER: FAHS DEVELOPMENT, LLC

BY: \_\_\_\_\_  
W. Thomas Fahs  
Development Director

SELLER: GENERAL GROWTH PROPERTIES (GGP)

BY: \_\_\_\_\_



## 2-E. ENVIRONMENTAL DUE DILIGENCE CHECKLIST

Project: Park View at Emerson

Date: April 12, 2006

Investigator: W.Thomas Fahs

Percentage of Living Units Reviewed: N/A

Percentage of Site Actually Walked And Observed: 100%

Environmental Risks	Observed	Possible	Not Observed
Asbestos	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Asbestos Containing Materials	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Lead Paint	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Underground Storage Tanks, Lines and Vents	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Above Ground Chemical Storage or Products	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Visible Soil Discoloration	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Buried Waste	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
PCB Transformers or Light Ballast	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Surface Water Discharge	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sensitive Adjacent Properties	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Potential Contaminated Adjacent Properties	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Air Emissions	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Wetland Areas*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sanitary Sewer Failure	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
On-lot Septic	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Private Water Supply	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Surface Impoundment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Excessive Noise **	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Foul Odors	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
French Drain or Disposal Pit	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Unsafe Material Management Practices	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pipe Leaks	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mold	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Radon Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>



<i>Geologic Features</i>	<i>Observed</i>		<i>Not Observed</i>
	<input type="checkbox"/>		
Streams***	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Lakes***	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Ponds***	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sink Holes***	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rock Outcrops***	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Springs***	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Steep Slopes – Not on site/adjacent berm***	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Poor Drainage***	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

\* There is currently a Farm Pond (Wetland Mitigation Area and Forest Conservation Easement) directly adjacent to the site. This is not in the planned developable area and furthermore, will serve as a site visual amenity for the residents of the community.

\*\*The Park View at Emerson is located in a planned community of 570 acres near the intersection of Routes 216 & I-95 in Howard County, where 38% of the master planned community will be kept as green space. Because of the site's proximity to a major travel route, FAHS has studied the site with the master developer and their sound engineer that assisted with the overall site development to ensure that the building is located and constructed to minimize traffic noise exposure. The building has been situated such that it takes advantage of the existing landscape on the site, where mature trees help shield the building from traffic noise. The building's façade will consist of 2"x6" studs the full height of the building, which is twice the height of that of FAHS's standard design. This structure allows for installation of sound resistant insulation on the side of the building facing I-95. Finally, the building layout serves as a shield for possible traffic noise for the exterior amenities for the residents to enjoy, such as with the patio and screened-in patios off the main entrance.

\*\*\*Site Resources Inc. (SRI) performed field observations on 4/27/06 pertaining to the final eight items on the list. Streams and ponds are adjacent to the site. The site has been graded to be mostly level with some small areas of steep slopes located on the southeasterly portion. There are some areas that may be poorly drained between the public road and the existing adjoining pond. SRI did not evaluate wetlands, hazmat, or underground conditions.



### **3-A. DEVELOPMENT TEAM**

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Each of the members of the development team were specifically chosen with regards to their experience in tax credit projects, history with the developer, current work load, and their company's business status. As can be seen from the projected scoring sheet in Section VII and as outlined by Maryland's Multi Rental Financing Program Guide of the Qualified Allocation Plan, the team is heavily graded based on the Development team's experience. The primary team members of any given tax credit application/project include the Developer, the Management Company (in the case of Park View at Emerson, the developer), the Architect, Contractor, Civil Engineer, the Minority Business Partner (MBE) or the Women-based Business Enterprise (WBE), Partner, and finally, the Non-Profit or Public Housing Authority Entity. The development team members are listed in detail on the following pages. The following are some specifics on a couple of key team members, as they

Two of the members of the design team are specifically worth mentioning, as they were selected due to the fact that their firm can bring additional points to the application, which will increase the likelihood of becoming awarded, in addition to their high-quality work in the past. Maryland's Qualified Allocation Plan specifically gives preference to projects which involve a minority-owned or women-owned business enterprise certified by the Maryland Department of Transportation (MDOT). Site Resources, Inc (SRI), the project's civil engineer, satisfies this requirement, as they are a Woman Owned Business. The development team expects to receive ten of the fifteen points possible in this category, as the WBE partner will have a significant role but not have controlling interest in the partnership of the development.

In order to further strengthen the LIHTC application, FAHS Development has partnered with the Howard County Housing Commission (HCHC), who is the local Public Housing Authority (PHA) in Howard County. Section 4.1.4 of the Multi Rental Financing Program Guide awards up to 15 points in this category, which is available if the developer partners with the local PHA with the PHA having controlling interest in the partnership with a clearly defined role. FAHS Development has negotiated a role with HCHC that would give them 51% interest in the general partnership (controlling interest at upon lease-up). Giving up controlling interest of the general partnership is not something that is generally done. It was pursued by FAHS due to the trusting relationship between both organizations and primarily due to ensure funding through the state, as PHA controlling interest involvement ensures maximum scoring of that category and satisfies the non-profit obligation of the application. Controlling interest of the PHA allows the county to switch out property management companies in the future in the event that FAHS Property Group fails to comply with all of the contractual management responsibilities.



HCHC role will serve as a consultant to establish service providers for the property. HCHC has a long and impressive history of working with low-income residents in the community to ensure that services are provided that will enhance their lives. HCHC will identify resources and coordinate services to interested residents at Park View at Emerson. For example, HCHC has the ability to coordinate counseling, information, and referral services to the residents and can assess the effectiveness of such services. The management agent will work with HCHC to identify the needs of the residents of the property. HCHC will then take the lead of identifying resources to provide services that management can bring to the property to help meet the needs of its residents.

Additionally, HCHC will utilize other county departments to participate in the appropriate stages of development. Howard County's organizations that will provide services or products to be coordinated and/or delivered to the Park View at Emerson residents include:

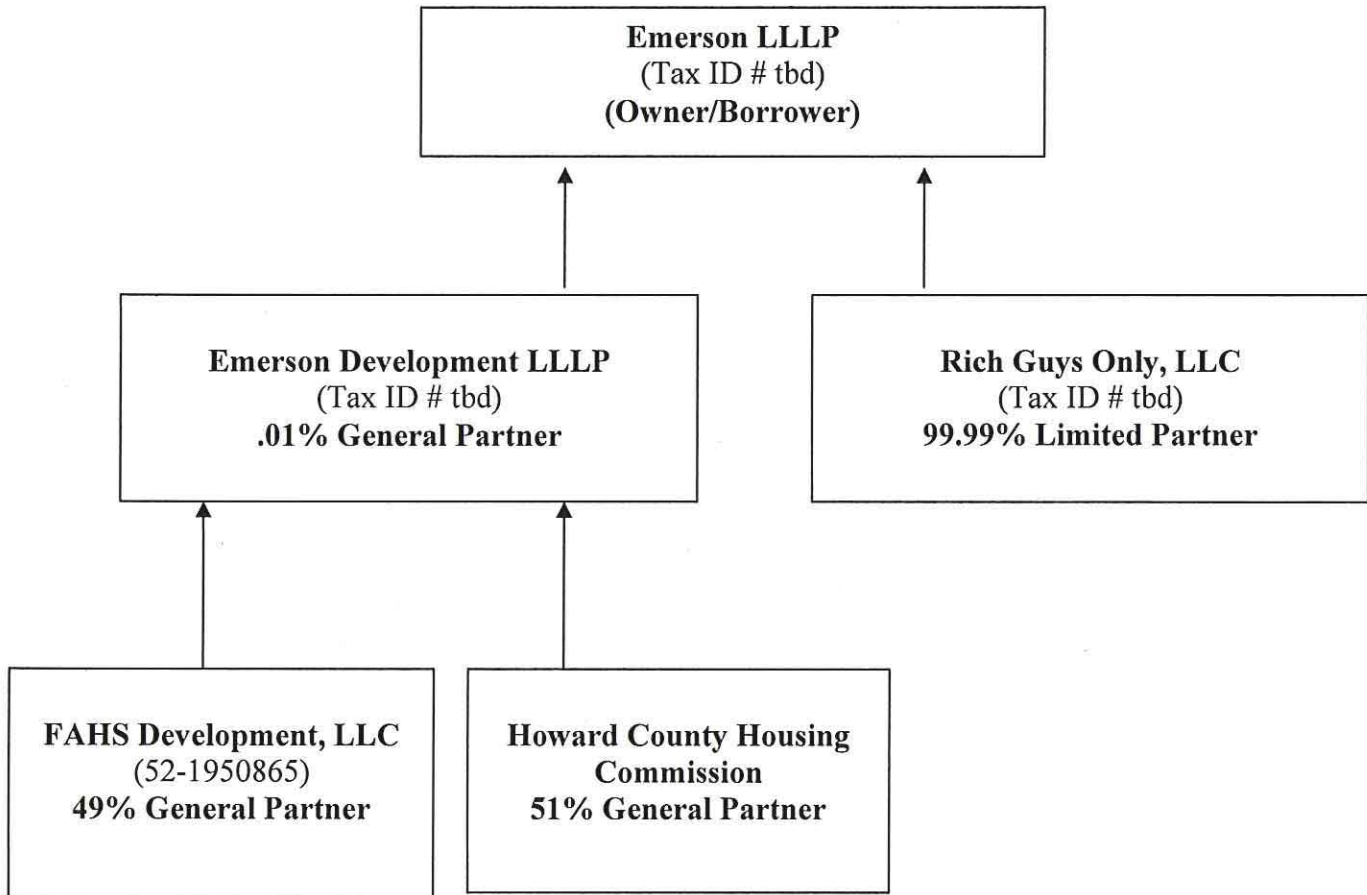
1. Department of Citizens Services
  - i. Office of Aging
  - ii. Office of Disability Services
2. Department of Recreation and Parks
3. Meals on Wheels
4. Howard Community College
5. Department of Housing and Community Development

The HCHC services to Park View at Emerson will be coordinated by a manager from the Office of Aging. The Office of Aging will also participate in the design review of the building to ensure that the most efficient building possible is constructed.

Finally, Rich Guys Only, LLC is the selected tax credit syndicator, who upon receipt of tax credits from the State of Maryland, will syndicate the credits to high-net worth investors who purchase the tax credits to lessen their annual taxable income. The credits can be taken beginning in the fiscal year the property is fully leased up for a period of ten years. The purchase price for the credits becomes FAHS Development's equity in the project, which is leveraged against a first loan. Additionally, Howard County has agreed to provide \$700,000 in project funding, which is necessary to make the development feasible (see section V for Financing).

# ORGANIZATIONAL CHART FOR

## EMERSON LLLP (PARK VIEW AT EMERSON)



## **DEVELOPMENT TEAM INFORMATION**

### **DEVELOPMENT TEAM MEMBERS**

<b>Developer</b>	FAHS Development, LLC		
Mailing Address	218 N. Charles Street, Suite 220, Baltimore, MD 21201		
Contact	W. Thomas Fahs	Phone	410 385-8409
Title	Development Director	Fax	410 347-0587
D&B Duns Number		E-mail	<a href="mailto:thomas.fahs@gmail.com">thomas.fahs@gmail.com</a>
<b>Guarantor</b>	FAHS Development, LLC		
Mailing Address	218 N. Charles Street, Suite 220, Baltimore, MD 21201		
Contact	W. Thomas Fahs	Phone	410 385-8409
Title	Development Director	Fax	410 347-0587
D&B Duns Number		E-mail	<a href="mailto:thomas.fahs@gmail.com">thomas.fahs@gmail.com</a>
<b>General Contractor</b>	The Whiting-Turner Contracting Company		
Mailing Address	300 E. Joppa Road, Baltimore, MD 21286		
Contact	Robert Cleckner	Phone	410 750-2600
Title	Senior Project Manager	Fax	410 480-4290
D&B Duns Number		E-mail	<a href="mailto:larryk@harkinsbuilders.com">larryk@harkinsbuilders.com</a>
<b>Management Agent</b>	FAHS Properties, LLC		
Mailing Address	218 North Charles Street , Suite 220, Baltimore, MD 21201		
Contact	Pamela Fahs	Phone	410 962-0595
Title	Vice President of Operations	Fax	410 347-0587
D&B Duns Number		E-mail	<a href="mailto:thomas.fahs@gmail.com">thomas.fahs@gmail.com</a>
<b>Consultant-- Civil Engineer</b>	Site Resources, Inc.		
Mailing Address	14307 Jarrettsville Pike, Phoenix, MD 21131		
Contact	Mary Beth Timm	Phone	410 683-3388
Title	Project Manager	Fax	410 683-3389
D&B Duns Number		E-mail	<a href="mailto:mbtimmm@sitresourcesinc.com">mbtimmm@sitresourcesinc.com</a>
<b>Architect</b>	Hord Coplan Macht, LLC		
Mailing Address	111 Market Place, Suite 710, Baltimore, MD 21202		
Contact	Edward M. Hord	Phone	410 837-7311
Title	President	Fax	410 837-6530
D&B Duns Number		E-mail	<a href="mailto:edhord@hcm2.com">edhord@hcm2.com</a>
<b>Nonprofit Participant (PHA)</b>	Howard County Housing Commission (local PHA)		
Mailing Address	6751 Columbia Gateway Drive, 3rd Floor, Columbia, MD 21046		
Contact	Leonard Vaughan	Phone	410-313-6316
Title	Director	Fax	410-313-6064
D&B Duns Number		E-mail	<a href="mailto:Lvaughan@co.ho.md.us">Lvaughan@co.ho.md.us</a>
<b>MBE/WBE Participant</b>	Site Resources, Inc.		
Mailing Address	14307 Jarrettsville Pike, Phoenix, MD 21131		
Contact	Mary Beth Timm	Phone	410 683-3388
Title	Project Manager	Fax	410 683-3389
D&B Duns Number		E-mail	<a href="mailto:mbtimmm@sitresourcesinc.com">mbtimmm@sitresourcesinc.com</a>



**DEVELOPMENT TEAM MEMBERS**

<b>Equity Provider</b>	MMA Financial, Inc.		
Mailing Address	101 Arch Street, 13th Floor, Boston, MA 02110		
Contact	Steve Napolitano	Phone	617 772-9524
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D&B Duns Number		E-mail	<a href="mailto:snapolitano@mmafin.com">snapolitano@mmafin.com</a>

<b>Closing Attorney</b>	Gallagher, Evelius & Jones		
Mailing Address	218 North Charles Street, Suite 400, Baltimore, MD 21201		
Contact	Kevin Davidson	Phone	410 347-1349
Title	Associate	Fax	410 837-0454
D&B Duns Number		E-mail	<a href="mailto:kdavidson@gejlaw.com">kdavidson@gejlaw.com</a>

<b>Private Lenders</b>	AGM Financial Services, Inc.		
Mailing Address	The B&O Building, Suite 850, 2 North Charles Street, Baltimore, MD 21201		
Contact	Mr. Stephen Rudow	Phone	(410) 727-2111 ext. 121
Title	Senior Vice President	Fax	(410) 727-3233
D&B Duns Number		E-mail	<a href="mailto:SRudow@AGMfinancial.com">SRudow@AGMfinancial.com</a>

### 3-B. DETAILED DEVELOPMENT QUALITY CRITERIA

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The following Detailed Development Criteria are questions and responses from the May 2006 Qualified Allocation Plan (QAP) and Guide. Responses to each criteria has been customized for the Park View at Emerson application.

#### ***1. Building design and uses are compatible with the surrounding environment and existing neighborhood. (7 points)***

- ☒ *Building exterior design features, finishes, height and uses are compatible with the immediate neighborhood and highly suitable for residential use and are significantly improved from their existing condition if a rehabilitation project. (6-7 points).*

*Please consider the following criteria in assessing points in this category.*

- The architectural design is consistent or complimentary to the existing neighborhood;

The proposed Park View at Emerson senior apartment building appropriately fits into the newly designed Howard County community. The Emerson community is a planned development on 570 acres, with single family houses, townhomes, and multi-family homes being developed by The Emerson Corporation, an affiliate of the Howard Research and Development Corp, the developer of Columbia. We have reviewed our designs with the Emerson Corporation and they have provided images of what future, adjacent neighborhoods will be designed to look like and we are using those images as our design context as well as the design of newly built homes in the neighborhood. The adjacent neighborhood design features Three-Story Townhomes with front garages with brick and vinyl siding facades and gable roofs. The proposed senior apartment building will be consistent with these surrounding homes of the master plan as it includes brick with horizontal reveals at the first story of the building, two types of vinyl siding at the upper levels, and occasional areas of polyboard and trim. The roof is articulated in a very residential fashion with gables, hips, and transitions down from 4 story to 3 story on the ends. A two-foot deep roof overhang on the building reminds one of the surrounding suburban-style housing. Projected bays combined with the smaller 'tower' bays reflect the massing of the townhomes being built in the adjacent neighborhood. Decorative trim work and balcony rails, as well as the covered front & rear porches with column and rail, are consistent with the planned architecture of the residences at Emerson.

**Existing Emerson Community Single Family Homes**





- The exterior finish materials are consistent with those found on other buildings nearby or there is an adequate buffer from other buildings to introduce different finish materials;

The proposed senior apartment building will be consistent with the surrounding homes of the master plan as it includes brick at the first story of the building, two types of vinyl siding at the upper levels, and occasional areas of polyboard and trim. The slope and style of the gable roofs are designed to relate to the roof style of the town homes in the neighborhood. The massing of the projected bays is also designed to relate to the massing of the stepped down bays of the other single family homes in the area. A wide trim band at the 3<sup>rd</sup> floor reflects the trim band at the top floor of the town homes. The covered front & rear porches with column and rail are consistent with the planned architecture of the residences at Emerson.

**Planned Emerson Community Townhomes**



- The building height and mass are consistent with nearby structures and are not overly imposing particularly to existing owner occupied housing, but an adequate buffer from other buildings will be a mitigating factor.

The senior building will be a four-story building amongst many 2 & 3-story detached homes and 3 story townhouse buildings. Great efforts have been taken to reduce the scale and massing of the senior building. The facades have been sub-divided and articulated by employing several multiple materials such as brick, two types of vinyl siding, and areas of polyboard panels and trim. The building footprint includes many "bump-outs" and projections that help to break up the facade. The ends of the building step down to 3-stories that also help to reduce massing. Generous front and rear covered porches and an attached gazebo help to introduce a residential scale to the building. Planned buffers are adequate. The Emerson Corporation has reviewed and provided input for the plans and elevations and had no concerns about height, massing and buffers related to our building.

- There are exterior architectural elements which add interest, functionality and generally improve the appearance and quality of the building.



- The building is located in an area that is residential, appropriate mixed use area with businesses or uses highly compatible with a residential neighborhood.

[illegible]

- The building(s) is located in a recognized planned residential growth or revitalization district.

Shelter truly feels that this site is an outstanding location for an affordable housing development. It represents Smart Growth objectives of both the local community and state and is conveniently located between Baltimore and Washington, DC. The building is part of the Emerson Master Plan which proposes several distinct, yet interconnected residential neighborhoods. Each neighborhood will feature one or two residential home types that are similar in scale and detail. The planned community sits on 570 acres with 215 acres reserved for permanent open space. The community will enjoy easy access to woods and streams with a beautiful natural pond located within the community and contiguous to our property. Emerson community recreational amenities include a swimming pool, tot lots and play areas for visiting grand children, tennis courts, pocket parks, and an extensive network of walking paths including a walking path to the pond.

**2. *The Layout of the building(s) and the improvements, on the site, are well thought out and complement the surrounding environment. (7 points)***

- ☒ *The building(s) and the other improvements on the site are located in such a way that they provide superior accessibility, traffic flow, storm water drain, recreation, green space and energy conservation. (6-7 points)*

*Please consider the following criteria in assessing points in this category; the first two criteria should receive greater weight than the remaining three.*

- The building, parking areas and other improvements thoughtfully utilize the site with a practical layout where transportation, parking and exterior facilities can be conveniently accessed. The building layout and placement on the site take advantage of existing conditions while maintaining the character of the neighborhood.

The building has been positioned parallel to I-95 to limit the building elevation area facing the interstate, while the building footprint has been oriented to maximize views of the natural pond and wooded area. The building entry is on axis with the planned circular entry road. Spaces reserved for handicapped persons are located close to the building's front entry. A curved drop-off area is included at the building's front entrance. The green space in front of the building is accentuated with a covered patio with a gazebo and sitting terrace. The Terrace will provide informal sitting area for seniors with benches and rocking chairs. The building's Community Room location is related to the outdoor space in front of the building. Seniors can walk from the Community Room to covered porch, gazebo, or terrace sitting area. We also have provided a relaxing back patio looking out towards the pond and the woods. Site amenities located near the back patio include a BBQ grill, umbrella tables, and raised planter beds. These amenities are accessible from the building's back door and are adjacent to the laundry room and the Multi-Media Center. A landscape buffer is also provided between the building and the stormwater pond to the back and will also buffer the views back to I-95. A pedestrian path is proposed between the building entrance and the natural pond and connects to the system of sidewalks and the walking path system of the Emerson community. Water, electric, and sanitary service are readily available along the entry drive. An electric transformer is anticipated to be located at the



end of the building's northern corner, near the secondary electric room and out of sight. A dumpster enclosure is positioned near the far end, away from the building's entry, near the building's trash room. The trash pick-up and other such services will access the building to the back of the parking lot with easy trash pick-up and exit without disrupting the residents enjoyment of the facility. Both dumpster and transformer will be screened with landscape plantings and/or screens.

Since the initial May 2006 application, the development team has met with General Growth (the master developer) and the community's architectural review committee. The attached site plan has been revised to reflect several improvements as it relates to parking, circulation, landscaping and set backs for consistency for the community. The current site layout also makes the property's operation more efficient.

- The building parking areas and other improvements take advantage of existing topography. Excessive grading resulting in steep slope or construction of large retaining walls is not anticipated. Driveways and entrances do not require excessive engineering.

The existing topography of the site is relatively flat. The design team verified the site to be a "pad-ready" site that will accommodate a slab-on-grade building and flat areas that will accommodate the building's parking lot and surrounding grounds and site amenities.

- For existing and urban structures, the setback and parking provided is consistent with nearby buildings and local requirements. On new structures, in addition to the above, there is sufficient setback to provide walkways and a buffer from adjoining properties.

The building and property are part of the Emerson planned community, which proposes generous setbacks from all roadways and contiguous properties. The setbacks are intended to encourage "pedestrian-ism" and a residential feel. The Park View at Emerson senior apartment building has been positioned to comply with the required setbacks of the Master Plan.

- There are green space areas, courtyards or exterior seating areas which provide privacy, recreational opportunities, and a feeling of spaciousness.

The green space in front of the building is proposed for a covered patio with gazebo and terrace. The terrace will provide informal sitting areas for seniors with benches and rocking chairs. The building's Community Room location is related to the outdoor space in front of the building. Seniors can walk from the Community Room to the covered porch, gazebo, or terrace sitting area. The front of the building is buffered from the parking lot by plantings. A landscape buffer is also provided between the building and the stormwater pond to the back and will also buffer the views to I-95. Pedestrian paths are proposed between the building entrance and the natural pond and woods. A system of walking paths and sidewalks is anticipated to connect the grounds of the senior building with the more extensive path system of the Emerson Community. Site amenities located to the rear of the building include a BBQ, umbrella tables, and raised planter beds. These amenities are accessible from the building's back door and are adjacent to the Laundry Room and Multi-



Media Center. Community parks and other recreational amenities are included in the overall Master Plan and are also available for residents use.

- The site has adequate usable space for project needs as proposed and does not have significant under-utilized or unused areas subject to ongoing maintenance. There are no areas that will require significantly higher than normal maintenance.

Although the site includes a large stormwater management pond, the pond will be the responsibility of the Emerson planned community development and will not require maintenance from Park View at Emerson Senior Apartments. The site is designed to maintain a green, open feel with natural woods and a pond in a natural setting. Seniors will find that there is an adequate amount of greenspace and plentiful site amenities. The greenspace and walks of the greater surrounding Master Plan may offer additional amenities if desired. The grounds around the building, walking paths, and parking lots will be appropriately lit for tenant safety and security. The site is sufficiently sized to accommodate all of the program and will not require any unusual or significant maintenance.

### ***3. Individual unit sizes are spacious and the floor plans well designed. (7 points)***

- ☒ *Individual units are spacious and well designed with generous space dedicated to living and working areas and ample closets and storage space. (More than 650 gsf area for predominant 1-BR units and 20% more area for each additional bedroom unit, preferably with the smallest bedroom not less than 10' X 11' in clear size) (6-7 points)*

*Please consider the following in assessing points in this category:*

If the closet space is significantly inadequate but the size and lay-out are reasonable, deduct 1 point.

If the floor plan is not efficient, has poor proportions, does not have a practical traffic flow or provides inadequate space for furniture placement, but the size of the units and closet space are reasonable, deduct 1-2 points.

Failure to provide a second bathroom in 3 bedroom units will result in the loss of 1 point.

Individual units are based upon units similar to other Park View senior apartment buildings, with floor plans that are generous, efficient, well proportioned, having practical traffic flows, and adequately spaced for furniture placement. The units are spacious. One-bedroom units range from 654 sf to 702 sf (Average 675 sf per 1-bedroom unit). Two-bedroom units range from 846 sf to 1123 sf (Average 948 sf per 2-bedroom unit). All bedrooms are larger than 11' x 11'. There are 80 total units in the building – (58) 1 bedroom units and (22) 2 bedroom units. Twelve units are designed to be built as fully accessible Handicap units: (9) will be 1-bedroom HC units and (3) will be 2-bedroom HC units. Typical rooms within units include Bedroom(s), Kitchen, open Living/Dining Area, Bath(s) and adequately spaced Closets for Coats, Storage, Bedroom, Walk-in, Linen, and

Utilities. All Units are designed to include floor clear space as required by the Fair Housing Act. The Kitchen includes a pass-through window to the Living/Dining area and helps to create openness and spaciousness.

Apartment Features:

- Top-mount, frost-free refrigerator, and electric range
- Re-circulating range (exhaust) hood with wall switch for operation
- A large stainless steel sink with lever faucet
- Garbage disposal
- Dishwasher
- Plastic laminate countertop with integral backsplash
- Base cabinets with wood faces, drawers, and doors
- Wall cabinets installed at a convenient height with wood faces and panel doors
- Full-size bath tub with a single lever faucet
- All apartment baths to receive (1) additional 24" vertical grab bar at tub/shower entry, in addition to required grab bars
- A 30" vanity base with cultured marble lavatory and single lever faucet
- A large mirror above the lavatory
- A recessed medicine cabinet.

Handicapped Accessibility Provisions:

In accordance with all accessibility requirements, all of the units will be provided with limited handicapped-accessible features, and will have the ability to be easily adapted for full accessibility compliance, when the need arises. Initially, fifteen percent (15) - ten percent (10%) more than required plus five percent (5%) as required for HUD financed projects will be constructed as fully accessible. This is twice the minimum standard requirement. An additional two percent (2%), or (2) of these units, will be constructed for Vision/Hearing Impaired occupants and equipped with devices that will enable a resident, with visual or hearing impairments, to live independently.

Accessible features:

- A kitchen sink and work space installed at 34" in height with clear knee space below.
- The pipes below the sink insulated to prevent injury to the resident's knees.
- Fully compliant grab bars installed in the bathroom at the toilet, as well as an additional vertical grab bar at tubs/showers.
- Fully compliant grab bars installed at the bathtub, (blocking is provided during construction at all grab bar and accessory locations to facilitate adaptation).
- An adjustable, hand-held shower faucet and shower head.
- A wall mounted lavatory at 34" in height, with clear knee space and insulated pipes.
- A medicine cabinet, closet shelving, and entry door peephole installed at lower heights to accommodate a resident in a wheelchair

**4. *Material selections are of better quality and designed for durability and long term performance with reduced maintenance. (7 points)***

- ☒ *Building materials, furnishings and equipment are of superior quality by reputable manufacturers with proven long-term performance and significant savings in maintenance costs. (6-7 points)*



The design team has a strong interest and experience in specifying only superior products and will only allow materials, furnishings, and equipment to be of superior quality by reputable manufacturers – including appropriate product Warranty to be used for the project.

- Building exterior is at least 75% masonry or other highly durable materials such as cement fiber siding, stucco, etc.

The building exterior is approximately 40% masonry, comparable to other projects in the community, with the first floor composed of brick with horizontal reveals. The remainder of the façade is composed of two types of vinyl siding, both premium 0.44 thick with reinforced nailing flange, to provide architectural interest. Polyboard panels and polytrim boards are introduced on the building's façade to further articulate the façade and offer some contrast to the siding and brick, as well as serving as very durable alternatives to wood products.

- Heavy duty paving selected through-out.

The parking lot will include heavy-duty paving at all drive aisles.

- Central system or split system HVAC system.

Each apartment unit will be conditioned with energy efficient Through-Wall Unit HVAC (PTAC). Commons spaces and corridors of the building will be conditioned with a split system HVAC.

- High performance roofing specified for durability.

A 30-year Architectural laminated shingle (CertainTeed Landmark or approved equal) is specified to cover the main roof. The attic of the roof will be insulated with blown-in R-38 insulation. A single-ply EPDM roofing system, with 30-year warranty and tapered rooftop insulation, will be specified for flat patio roofs.

- Exterior trim is upgraded to composite or select materials or exterior trim will be rehabilitated to meet historic rehabilitation standards.

Exterior trim will be located at the roof overhang soffit and will be pre-finished aluminum. A 10" decorative molding trim board will wrap the entire building at the roof eaves. Polyboard panels and polytrim boards are introduced on the building's façade to further articulate the façade and offer some contrast to the siding and brick.

- Cement fiber siding, stucco, EIFS, or premium thickness vinyl siding selected.

Two types of premium thickness (.044" thick) vinyl siding, CertainTeed Monogram or approved equal, are specified for much of the exterior. The two types will be of different "board" dimension to add variety to the façade. Polyboard panels and polytrim boards are



introduced on the building's façade to further articulate the façade and offer some contrast to the brick.

- The plumbing and electric fixture package is upgraded for improved functionality, appearance, low-cost maintenance and durability.

All apartment units will have EnergyStar-rated refrigerators, dishwashers, and energy saving light fixtures. Shower/tub controls, lavatory faucet, stainless steel kitchen sink, kitchen faucet, electric water heaters are specified for their durability, finish, warranty period, standardization for maintenance and service purposes, and handicap accessibility. The building will be fully sprinklered with a minimum NFPA 13R sprinkler system. Sprinklers located at the building's fourth floor will be "side-wall mounted" to keep plumbing out of the attic space where pipes are vulnerable to freezing and breaking. The building will be equipped with a passive radon system which will allow for easy installation of an active radon system should tests reveal the need.

- The interior door/trim package has been upgraded to panel doors, better quality hardware, wood trim or additional treatments.

Interior doors within units will be 2'-10" wide 6-panel hardboard doors to provide pleasing aesthetics and low-maintenance.

- Heavy gauge metal or solid core wood entrance doors with durable frames and hardware selected.

Apartment Entry Doors will be 3'-0" metal 6-panel doors with wood trim and are superior for durability, fire resistance, and aesthetics. Building entry doors will be attractive and durable aluminum storefront with automatic door openers.

- The cabinetry is upgraded with plywood boxes and durable finishes and hardware.

An upgraded cabinet with an all hardwood cabinet door is specified. Saco Centurion or approved equal. Stainless steel cabinet door pulls are specified.

- Interior finish elements meet historic standards as applicable.

Not Applicable

- Floor coverings are upgraded to significantly higher quality longer lasting products.

An upgraded 24 oz. carpet and pad will be installed in standard apartment units and 30 oz. carpet in handicapped accessible apartment units. Corridors and common spaces will receive a heavier 28 oz. carpet and egress stairwells will receive a 26 oz. carpet. All floors will be topped with a cementitious "gypcrete" coating to improve durability, sound absorption, and fire-resistance properties. Apartment kitchens will receive durable vct flooring and bath's receive sanitary residential grade sheet vinyl flooring. The Community room will receive a patterned vct flooring.

- Ceramic tile bathrooms are provided.

Ceramic Tile Surrounds at Tub/Shower are specified for superior durability, cleaning, moisture resistance, and aesthetics.

- Framing/decking system upgraded over minimum design standards.

Twenty-inch deep floor trusses are specified for their durability, deflection reduction, and additional space for HVAC, plumbing, electrical items required to fit through floor joist webbing. In addition, all exterior walls will be 2 x 6's walls and will be filled with R-19 insulation. For further sound attenuation, the exterior sheathing at the east elevation will be increased in thickness to 5/8" sheathing boards.

- Identifiable, project specific significant upgrades which provide increased performance, better appearance, durability, and lower maintenance.

Significant upgrades include:

- Brick at first floor level and higher at select elevations
- 30-year architectural laminated shingles
- Premium siding 0.44" thick with reinforced nailing flange
- Heavy-duty paving at parking lot
- 2 x 6 exterior wall and associated thicker R-19 insulation
- R-38 blown-in attic insulation
- EnergyStar dishwashers and refrigerators in all units
- Split-system HVAC units for common space conditioning
- All hardwood cabinet front doors and stainless steel wire pulls
- Masonry firewall, elevator hoistway, and stair enclosures
- All regular apartments to receive (1) additional 24" vertical grab bar in the bathroom at the tub/shower entry
- Twelve fully accessible handicapped units will be built – (9) 1-bedroom HC units and (3) 2-bedroom units

## 5. *Design features provide comfort and energy efficiency over the extended period of the project life. (7 points)*

- ☒ *The design features and the selection of the materials & equipment are clearly specified for efficiency and prolonged performance for the conservation of energy. (5-7points)*

The building will promote efficiency in both energy consumption and initial construction methods. All exterior roof, wall, and window systems are designed for thermal efficiency and employ detailing, which will result in "tight" construction and minimal heat loss due to unwanted air infiltration. Operable windows, in all apartments and in common areas, will allow for natural ventilation during the seasons when the weather is fair. The heating and air conditioning system in the apartments are very efficient and low-maintenance PTAC units. Individual temperature controls will allow for resident comfort and, either heating or cooling depending upon the need. Light fixtures will be selected not only for glare reduction, but also for high efficiency and low energy consumption. The building



construction will employ cost-effective residential construction methods, including the use of pre-manufactured building components, such as floor and roof trusses. To the greatest extent possible, fixtures, hardware, finishes, equipment, etc. will be consistent throughout the apartment units, resident common areas and administrative/service areas, to facilitate installation, maintenance, service, and energy efficiency.

- Verifiable, high efficiency HVAC system is specified. SEER rating of specified HVAC equipment should be 13 or greater to receive utmost points.

Split-system units with SEER rating 13 will condition all common spaces. The delivery system is optimally designed, highly efficient and can be balanced. Tamper-proof controls are included in all public spaces. The heating and air conditioning system in the apartments are very efficient and low-maintenance PTAC units. Individual temperature controls will allow for resident comfort and, either heating or cooling depending upon the need.

- The delivery system is optimally designed, highly efficient and can be balanced. Electronic energy management components, programmable thermostats, tamper proof controls and other devices which conserve energy or provide comfort are specified.

All apartment thermostats will be wall-mounted models with large numbers for ease of use by seniors. These models have been selected in lieu of programmable ones because we have found in our other properties that seniors find them confusing and therefore do not use them. The systems will be balanced as part of the building handover process.

- Verifiable, higher quality and more thermally and draft efficient windows and doors are specified. Maximum points awarded to windows with an AAMA 101 Section 3 "Optimal Performance Class" rating. Aluminum windows are preferable.

Windows meet Optimum Performance Rating: vinyl single-hung windows with thermal break, doubled-glazed, low-E glass, pivot-able sash for cleaning, with insect screens - by Capital or approved equal. Sound insulated glass with appropriate STC rating will be utilized for the façade facing I-95 to reduce traffic noise.

- Thicker insulation which has an R-rating at least 20 percent above that required by code is utilized in wall, crawlspace and ceiling areas is specified

Exterior walls will be framed with 2 x 6's and will receive thicker R-19-fiberglass batt insulation, well above the standard R-13 typically provided. The attic will be insulated with blown-in R-38 insulation, also well above the standard of R-30 in the ceiling.

- A barrier membrane wrap or other recognized method is used to minimize air infiltration is specified.

The entire building will be covered in a building wrap, Tyvek wrap or an approved equal and Tyvek tape or approved equal at all fenestrations. The interior face of all exterior walls will include a vapor barrier.



- Energy saving light and plumbing fixtures, water heaters, and Energy Star rated appliances are specified.

Efficient fluorescent and compact fluorescent lighting are used throughout the building and within apartment units. Refrigerators and dishwashers will be EnergyStar-rated. Plumbing fixtures will meet current requirements for water usage

- Special features such as additional attic venting, water use limiting devices or other verifiable cost effective energy improvements are specified.

The attic will be well ventilated through continuous perforated soffits located along the full perimeter of the building's roof overhang and up through a continuous vent located at the roof's ridge. Sprinklers located at the building's fourth floor will be "side-wall mounted" to keep plumbing out of the attic space where pipes are vulnerable to freezing and breaking. All toilets and plumbing will be specified to meet current low flow requirements.

- Building design features minimize energy consumption (site orientation, overhangs, solar features, etc.)

The roof overhang is two-feet deep and will provide much shading at the windows and apartment units located at the Fourth Floor. Over-heating during the heating season will be reduced through placement of deciduous trees or pine trees along the south facing façade. The apartments will receive much daylight along the main façade. The windows of the building will have low-e glass and insulated glass.

We have several LEED accredited professionals on our design team. In our commitment to LEED design we have reviewed the project as a whole for sustainability beyond material selection. We have given special consideration to the following: site suitability, energy performance, limiting the use of HCFC's and Halons, construction waste management, indoor air quality features, material resources.

***6. The site is suitable for the proposed development and limited or no extraordinary or unanticipated geotechnical, environmental or utility infrastructure costs are indicated***

- ☒ *Site improvement costs are reasonable (no more than 15% of the net construction cost unless the land acquisition cost was proportionally discounted to reflect the increased site development cost) with required development costs included in the budget. All necessary investigative reports do not reveal any significant issues at the site, and CDA's experience indicates limited risk of unanticipated costs in the construction budget. (5-7 points)*

Site improvement costs are reasonable with required development costs included in the budget. All necessary investigative reports do not reveal any significant issues at the site, and CDA's experience indicates moderate risk of unanticipated costs in the construction budget.

The existing topography of the site is relatively flat. The design team verified the site to be a "pad-ready" site that will accommodate a slab-on-grade building and flat areas that will accommodate the building's parking lot and surrounding grounds and site amenities. The developer of the overall Emerson Community will be delivering the site to us as a graded, pad-ready site, with all utilities (water/sewer/storm water management) stubbed to property line (currently storm water management & sanitary sewer are in place ). Therefore, site improvement costs and risks are reasonable and are expected to be below 15% of the net construction cost. Any issues at the site will be addressed prior to delivery of site to us.

The Park View at Emerson is located in a planned community of 570 acres near the intersection of Routes 216 & I-95 in Howard County, where 38% of the master planned community will be kept as green space. Because of the site's proximity to a major travel route, Shelter has studied the site with the master developer and their sound engineer that assisted with the overall site development to ensure that the building is located and constructed to minimize traffic noise exposure. The building has been situated such that it takes advantage of the existing landscape on the site, where mature trees help shield the building from traffic noise. The building's façade will consist of 2"x6" studs the full height of the building, which is twice the height of that of Shelter's standard design. This structure allows for installation of sound resistant insulation on the side of the building facing I-95. Finally, the building layout serves as a shield for possible traffic noise for the exterior amenities for the residents to enjoy, such as with the patio and screened-in patios off the main entrance.

***7. The building and the project site, including the nearby surroundings, provide opportunities for recreation, education and community activities. (6 points)***

- ☒ *Ample opportunities for recreation, education and community activities are available on the project site and nearby vicinity. (6 points)*

*Please consider the following in assessing points in this category:*

- The proximity of parks, schools, cultural centers and other public facilities used by the residents.

The Emerson Community Plan includes plans for recreation and open space. This includes both large and small, active and passive parks, as well as common open space areas and plazas. The community will enjoy easy access to woods and streams with a beautiful natural pond located within our property. Emerson community recreational amenities include a Club House with a swimming pool and tennis courts, play areas and tot lots for visiting grand children, and pocket parks and an extensive network of walking paths in addition to the walking path provided to the pond. In total, the Emerson Community has reserved 215 acres of permanent open space.



Saint Mary of the Mills Roman Catholic Church, Hope Baptist Church, Savage Baptist Church, Mount Zion Church, and First United Methodist Church are all located within a convenient 3 mile drive from the site.

Senior Support Services: The Savage Senior center is approximately a mile away located on Durness Lane and provides services including: health and nutrition education, counseling, and social programs. The Public Library at 7<sup>th</sup> and Talbot offers educational and recreational programs during the week.

- Shopping is convenient to the project. Basic services such as a grocery store and drug stores are located nearby.

Current shopping, retail, and supportive services are found within 3 miles of the site.

Major retailers located less than 2.5 miles from the site:

- Safeway Food and Drug
- Weis Markets 1 and 2
- Whiskey Bottom Shopping Center

Laurel Centre Mall – is located in Laurel at 14828 Baltimore Avenue, about 3 miles from the site. The center features Hecht's, Burlington Coat Factory, International Furniture and over 90 specialty stores and services.

- Public transportation is located near the project. Regularly scheduled public transportation is available at the site or within a short walking distance.

Highways: The property has easy and direct access to the region's strong transportation network, including highway, rail, air and water transportation. The highway network is extensive and provides travelers with connecting routes in all directions. Collector roads, major arterial roadways, and the interstate highway system are easily accessible. Major arteries serving Emerson include Interstate 95, US Route 32, US Route 29, US Route 1, and US Route 100. These highways connect with other major expressways to provide highway links to most major urban areas on the East Coast. The Baltimore-Washington International Airport and Amtrak are within easy driving distance. The strong road network is particularly important given that fixed-route public transportation does not yet serve the Emerson community directly. Plans for public transportation amenities will progress as the community continues to be developed.

HT Ride—Howard County operates a curb-to-curb shared ride transit service for individuals who are disabled or over the age of 60. The service is available between 9:00am and 3:00pm Monday through Friday. The one-way fare is \$2.50 and appointments for pick-ups must be made at least 48-hours in advance. The service is intended to transport individuals to medical appointments, senior centers, and (on a limited basis) employment sites.



Neighbor Ride: Shelter has developed an agreement with Neighbor Ride, who will establish a special account to be used to subsidize ride costs for the residents of Park View Emerson. The organization's goal is to help local seniors maintain a high quality of life by providing door-to-door transportation for medical appointments, religious services, educational pursuits, recreational and social events, grocery shopping, volunteer commitments, and other day-to-day activities. Park View at Emerson will provide an annual subsidy amount of \$500 to be placed in the account. Neighbor Ride will in turn use the funds to offset round trip fees for the residents. The subsidy provided will cover 20% of the round trip ride fees. If the amount required for subsidy exceeds the annual \$500 provided, Park View at Emerson agrees to make additional funds available.

MARC Commuter Rail Service—Some residents of the subject site may find the MARC commuter rail service operated by the Maryland Department of Transportation to be convenient. MARC's Camden line services stations in Savage-Annapolis Junction (Route 32 and Dorsey Run Road, a distance of 4.2 miles) and Laurel (Main Street and Lafayette Avenue, 3.9 miles).

- Depending on whether it is a family or elderly project, there are recreational, educational and medical facilities within a short distance.

Howard County Hospital: located approximately 11.5 miles to the north of the property in Columbia. It is Howard County's primary full-service medical facility. In addition to inpatient services, there are specialty clinics for treatment of both heart disease and cancer.

Laurel Regional Hospital: located in Laurel, Laurel Regional Hospital is a full service community hospital that is located within five miles of Park View at Emerson.

Private Practice Medical Facilities—there are several private practice medical facilities within an eight mile radius of Park View at Emerson. Additionally, several pharmacies are located nearby, specifically the new Giant grocery store at Route 216 & I-29 (approximately 3 miles away). Lastly, as can be seen in Exhibit V, the Park View at Emerson will contain on-site delivery of pharmaceuticals.

Howard Community College: located approximately 11 miles northwest of the site at in Columbia. As a partner in the general partnership, The Howard County Housing Commission will coordinate educational services/programs to the residents of Park View at Emerson in conjunction with Howard Community College. The college has extensive offerings for full-time students and others who take courses for personal or professional development. Additionally, University of Maryland at College park has many opportunities for adult education and is only 9.5 miles from Park View at Emerson.

Churches/Houses of Worship: Saint Mary of the Mills Roman Catholic Church, Hope Baptist Church, Savage Baptist Church, Mount Zion Church, and First United Methodist Church are all located within a convenient 3 mile drive from the site. Hope Baptist church just recently built a new building approximately 1.5 miles from the site.

Stanley Memorial Library is located in North Laurel, just west of Route 1, which is approximately 3 miles away.

Community Activity

- The Club @ Emerson—Community Building & a Swim & Tennis Club—approximately 0.5 miles from the site;
- Savage Senior Center—Approximately 3 miles from the site;
- The project is not located in a high traffic or congested area; or an area which is non-residential in character.

The vicinity is that of a typical Baltimore County suburb, predominantly residential with small retail/commercial use to support the residential population. The Community Plan proposes a “New Urbanist” Plan complete with wide curving streets, friendly sidewalks and trails, and generous setbacks from all streets. The developer of the Community Plan has conducted a traffic analysis and there are no traffic problems in the area. The County will require adequate road service as part of the development process, and preliminary review by the County has not raised any concerns.

- The on-site community space is adequate for the size and nature of the project.

The amenities offered to the tenants within the building include:

- Tenant Community Room (with Kitchenette and Storage) – 1662 s.f.
- Exercise Center / Wellness– 452 sf
- Multi-Media Center with a separate area for computers – 802 sf
- Central Laundry Room with Lounge Area – 363 s.f.
- Entry Lobby/Waiting – 650 s.f.
- Beauty Salon – 260 sf

A generous entry lobby provides areas for sitting and interaction. There are a number of common areas off of the entry lobby that offer residents the opportunity to participate in the rich service offerings of the community. Those common areas are as follows:

Community Room: Centrally located on the first floor near the Lobby is a large Community Room for use by the residents. The space is designed for use by the residents for a variety of group activities, such as holiday and birthday parties, TV viewing, computers, group exercise, educational seminars, etc. Resident mail cubbies are located just outside of the Community Room, in an area that will be the information center for residents and where they can sign-up for activities and group outings. A small residential-style warming kitchen is located within the Community Room for



serving light refreshments and for clean-up after group activities. There are public toilet rooms for men and women adjacent to the Community Room for convenient access.

Exercise Center/Wellness: A room designed for use by visiting physicians and other healthcare professionals. On occasion or on a regular scheduled basis, a physician, podiatrist, dietician, etc. may come to meet with the residents to provide health screenings, flu shots, check-ups and general health information for the residents. This room will also be used as a small exercise room with exercise equipment. It is prominently located in the middle of the first floor and is designed to encourage residents to remain physically active to maintain good health. The Exercise Room has a few senior-friendly pieces of equipment to help promote exercise and wellness.

Beauty Salon: A small Beauty Salon is centrally located on the first floor. A hair wash sink, adjustable styling chair, cabinets, and a storage closet are provided for use by a visiting hairstylist.

Multi-Media Center: Centrally located on the first floor, this space is designed for residents to use for smaller group or individual activities, such as group movies, computer use, visits with grandchildren, library, and a variety of other activities.

Laundry Room: A common resident Laundry Room is located on the first floor adjacent to the Community Room. The Laundry Room is typically outfitted with (4) coin-operated washers, (4) dryers, folding tables, and a small sitting/waiting area. Residents can use surrounding common spaces while waiting for their laundry.

**8. Unit amenities are consistent with or better than amenities in other similar projects in the market area. (7 points)**

- ☒ Varieties of unit amenities are available which are substantially better than the amenities provided by comparable projects in the competitive market area. (6- 7 points)

*The following should be considered unit amenities in scoring this category:*

The efficient and amenity-rich unit designs at Park View at Emerson reflect Shelter's over two decades of experience developing multi-family housing and are the result of years of constant refinement and improvement. Beyond those amenities that anyone would look forward to in an apartment, we include special design elements that meet the particular needs of the elderly. Each unit has two emergency pull cords, one in every bedroom and bathroom; grab bars exceeding code standards in all bathrooms; tenant-controlled entry call system; extra kitchen cabinets for additional storage; lower than normal overhead kitchen cabinets, extra bright bathroom lighting; stoves equipped with a front window, interior light and easily accessible front knobs; U-shaped door handles that make opening doors easier for those with arthritis and similar physical problems; wall mounted, easy to read and operate, thermostats; an elevator; and tub fixtures located close to the edge of the tub. Most of the comparable rental apartments in the immediate area do not offer these



amenities tailored to make our future residents feel more comfortable with their new homes.

The building will also have twelve fully handicapped accessible units plus two units for visual/hearing impaired occupants. This totals 15% handicapped accessible units: 5% handicapped accessible units as required for HUD financing and an additional 10% handicapped accessible units as requested per CDA application guidelines. By working with the County agencies that support the elderly and the handicapped, the Sponsors will provide outreach services to educate seniors in need about the accessible units and attract them to the community.

- Central air conditioning.

Each unit is conditioned with its own Through-Wall (PTAC) unit. The rest of the building's common spaces are conditioned with split-system units.

- Appliances including refrigerator, range, dishwasher, disposal, microwave, laundry equipment, bathroom heater, call station, internet connection.

Energy Star refrigerators and dishwashers are included in all apartments. All apartments will include electric ranges with anti-tip devices to prevent danger to children. Handicap units will feature knobs that are front mounted to meet reach requirements. A recirculation range hood will be included in all units. Stainless steel sinks with under-sink disposal units are included. Appropriate countertop space for countertop microwaves are designed. Bathrooms will have ceiling mounted exhaust fans with heat lamps. Internet and computer access will be available for each tenant. Emergency call systems will be present in each unit and will communicate with the Property Manager and emergency dispatch services.

- Walk-in closet or additional storage area.

Each apartment has a closet located at the front door area for coat storage. Bedrooms have walk-in closets. Most units will have space for linen closets and storage closets.

- Ceramic tile bath.

Ceramic Tile Surrounds at Tub/Shower are specified for superior durability, cleaning purposes, and moisture resistance.

- Upgraded flooring.

An upgraded 24 oz carpet and pad will be installed in all apartment units. Corridors and common spaces will receive a heavier 28 oz. carpet. Corridors and Stairs will receive the heavier 28 oz. Carpet. All floors will be topped with a cementitious "gypcrete" coating to improve durability, sound absorption, and fire-resistance properties. Apartment kitchens will receive durable vct flooring and baths a sanitary residential-grade sheet vinyl flooring. The Community room will receive patterned vct flooring.

- Upgraded trim, hardware panel doors.

Upgrade trim include all wood base boards, laminate countertops with kitchen pass through ledge, hardwood cabinet doors with stainless steel pulls. Handicap units will have lowered countertop space. Each apartment entry area will include a featured recess with laminate package shelf.

- Upgraded plumbing, electric fixtures.

All apartments will have EnergyStar rated dishwashers and refrigerators. Plumbing fixtures have been specified to provide durable, consistent, accessible, and low-maintenance qualities. Delta plumbing products or approved equal are anticipated. Apartments include compact fluorescent close-to-ceiling fixtures. Bathrooms include exhaust fans and heat lamps.

- Upgraded cabinetry.

All units will include upgraded hardwood cabinet doors in kitchens and bathroom vanity. Stainless steel wire pulls are included. Saco Centurion cabinets or approved equal are anticipated. Ten units will be fully handicapped accessible and an additional two units equipped for vision and hearing impaired. All other units will be adaptable, with such features as wall blocking built in for future grab bars. Details such as wall cabinet hanging height and wall outlet heights off of the finished floor will be set so as to allow for easier reach. Unit party walls and unit/corridor walls will be constructed with sound-attenuation. Bathrooms will have grab bars or blocking for future grab bars. All regular apartments to receive (1) additional 24" vertical grab bar at tub/shower entry.

- Window treatments.

All apartments will include pre-finished metal horizontal mini-blinds

- Balconies or patios.

Shared patios at the buildings front and rear entrances are included. A gazebo with patio sitting area flank the building's front patio entrance to encourage mingling.

- Voice and data transmission systems.

Each unit is pre-wired for telephone, cable television, and closed circuit wiring for communicating with the building's entry system. Internet hook-up will be provided in the multi-media room for resident use; residents will have the option to sign up for cable and internet units in their own units. Entrances to the building will be well lit and continually monitored with video and electronic card reader access. An intercom system at the building entrance will allow residents to control entry into the building from within each unit. Further, the video camera at the building entrance will be fed to resident units through a closed-circuit TV system to allow residents to visually confirm guests entering

the building. Sidewalks, parking areas, and common areas within the building will be well lit. Individual units will be protected with dead bolt locks. Emergency call systems will be present in each unit and will communicate with the Property Manager and emergency dispatch services.

- Additional amenities.

All units will be adaptable, with such features as wall blocking built in for future grab bars. Details such as wall cabinet hanging height and wall outlet heights off of the finished floor will be set so as to allow for easier reach.

Unit party walls and unit/corridor walls will be constructed with sound-attenuation.

The building will be equipped with an emergency pull cord system with devices in all units and select common areas. When activated, the emergency pull cords will report to a control station monitored in the office and to an off-site monitoring company for emergency dispatch.

Trash chutes are available for all upper floor units.

The building will be fully secured through key card or key fob entry system with intercom and video cameras allowing residents to see visitors through cable-access. Additionally, a manager will be on staff during normal business hours.

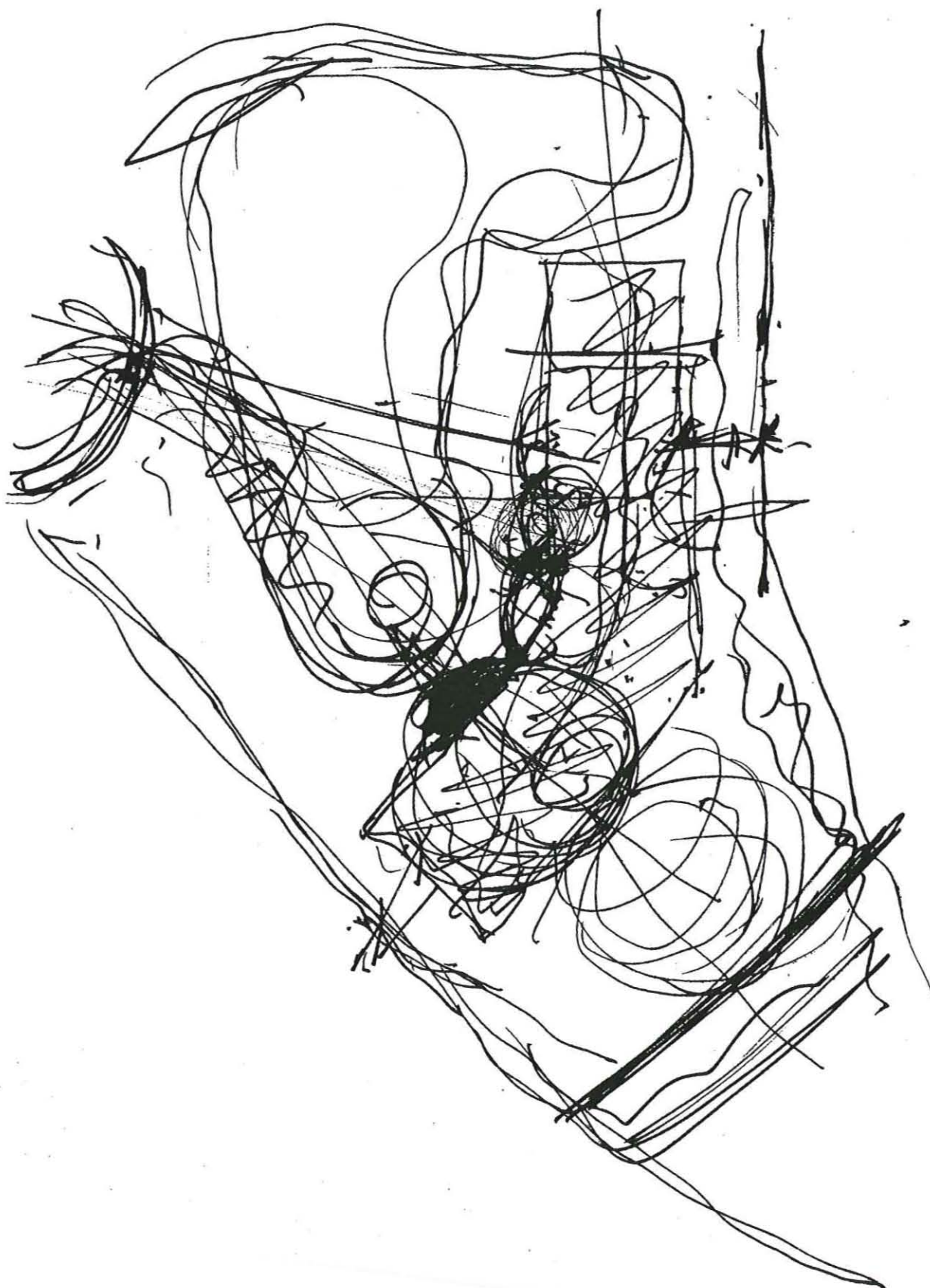


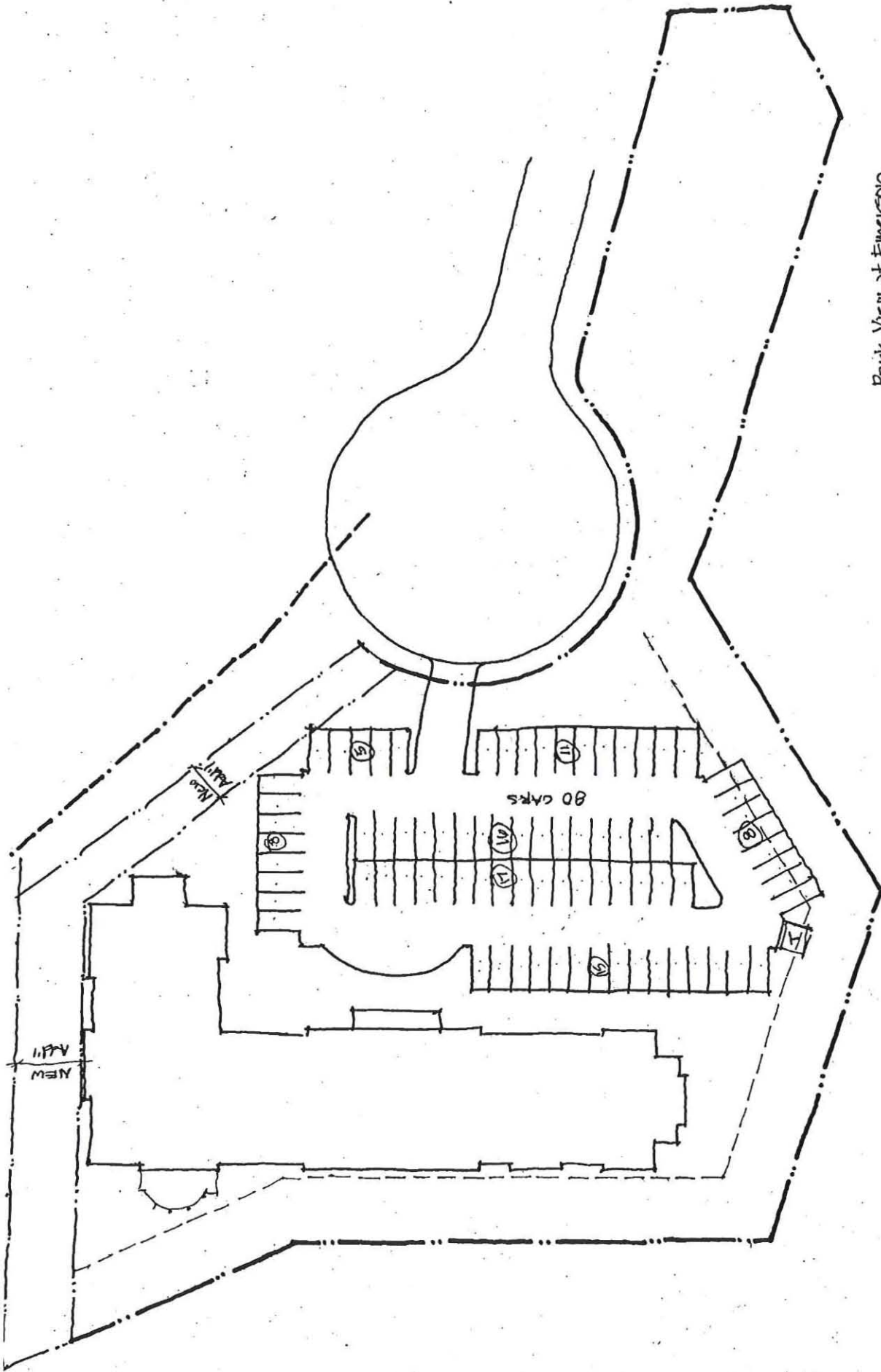
### **3-C. DESIGN EVOLUTION**

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The following pages represent the design evolution of the development of the initial design phase. The design evolved over several months, resulting from comments and input from multiple team members, including General Growth's architectural committee for the community. The initial base footprint had been taken from other similar designs previously completed for The FAHS Group. Modifications to the building were related to issues such as exact acreage of the site, property set-backs, on-site storm water management, required parking spaces, building efficiency, and the many criteria discussed in the previous section of this report.

To date, the design has not been finalized, as the project has not yet received state funding. Design will commence upon award of tax credit funding and the design phase will continue through design development and construction documents. The balance of the design phase is expected to take approximately three more months.

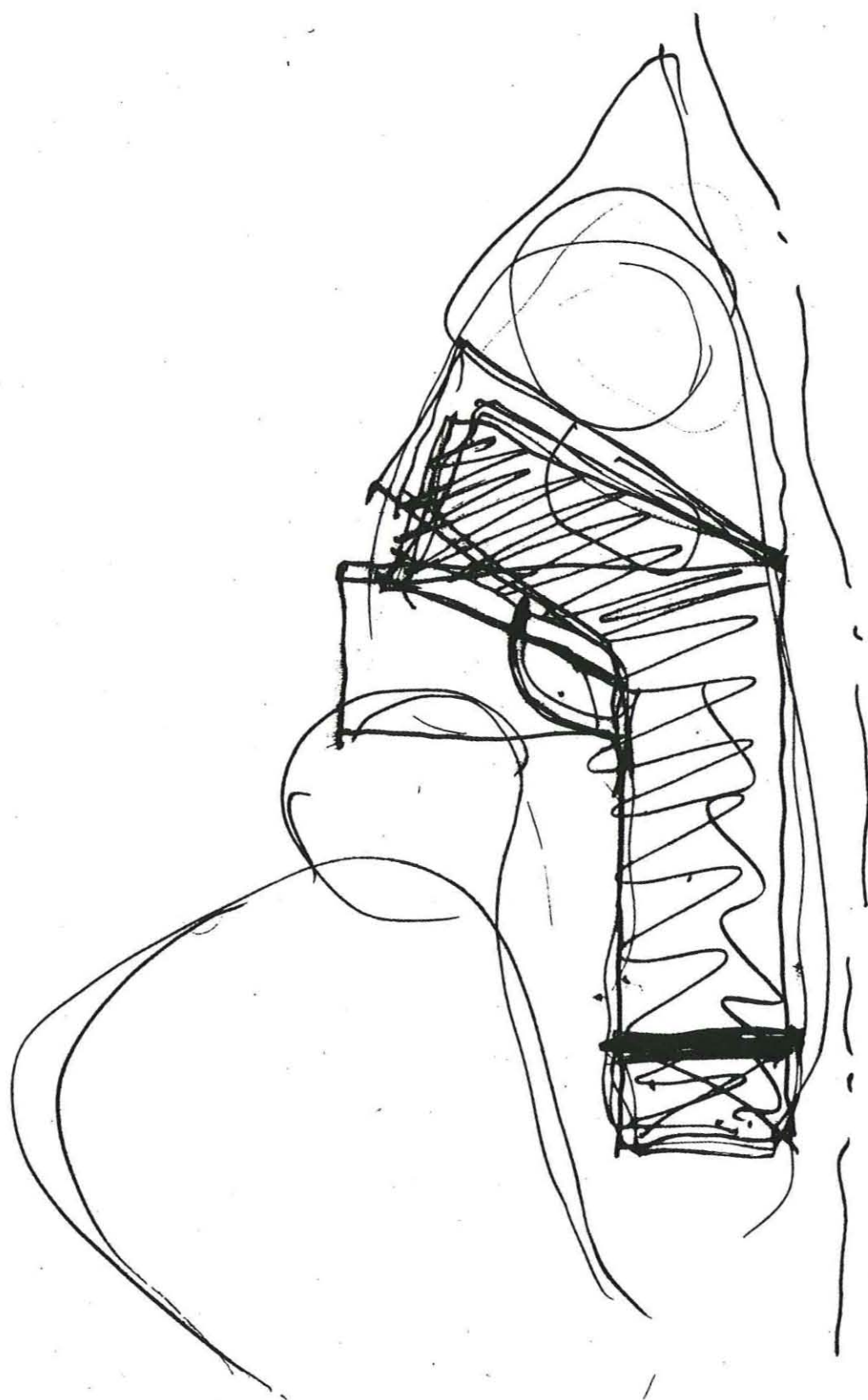




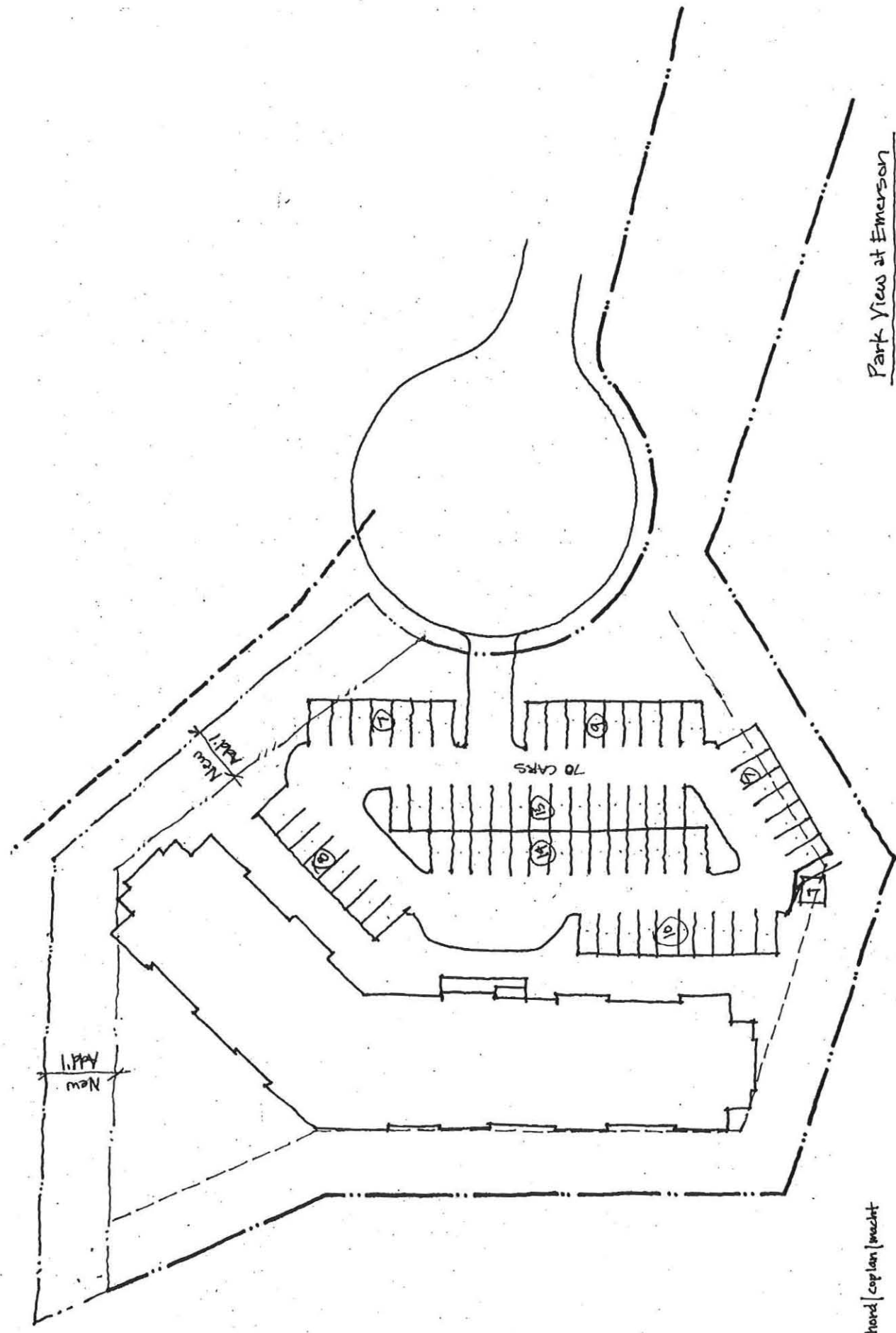
Park View at Emerson  
Site Plan - Scheme 1  
1" = 40'-0" 4-10-06

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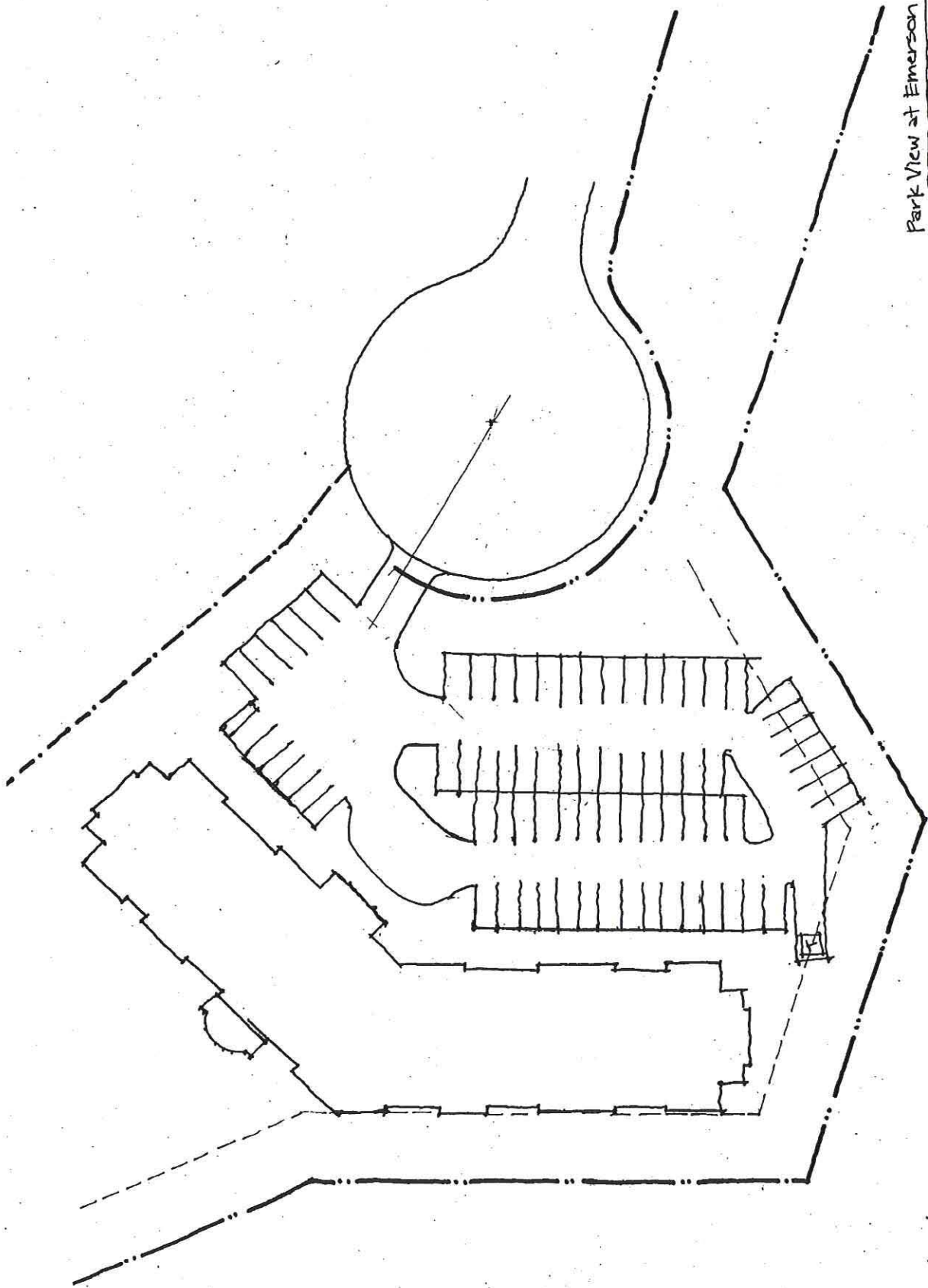


Park View at Emerson  
Site Plan -- Scheme 2  
1"=40'-0" 4-10-06



hand / coplan / wach

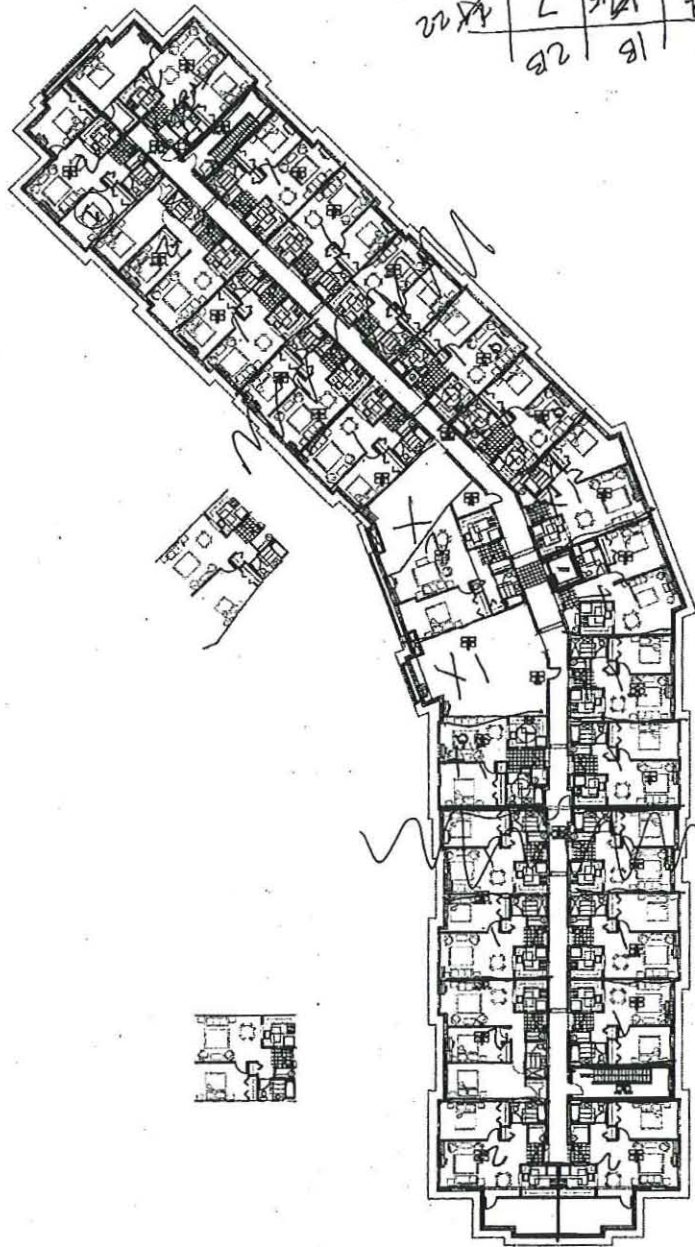




Park View at Emerson  
Site Plan .. Scheme 3  
1"=40'-0" 4-10-06

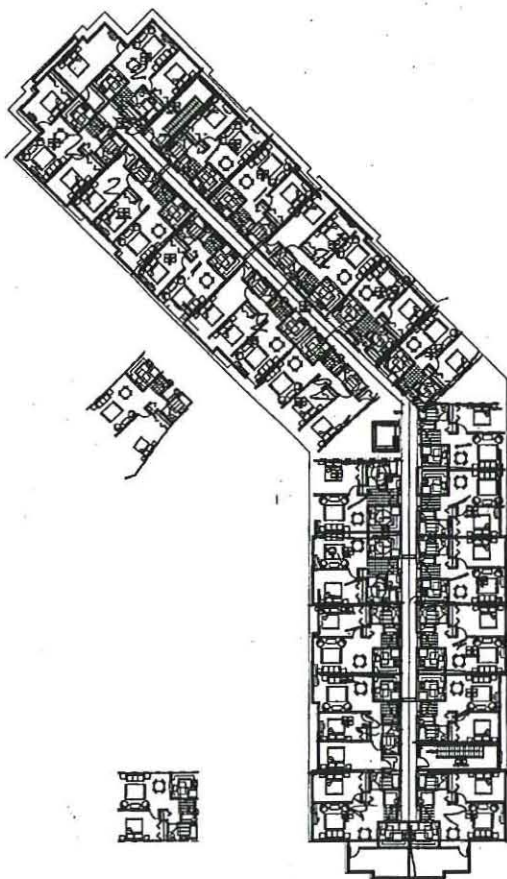
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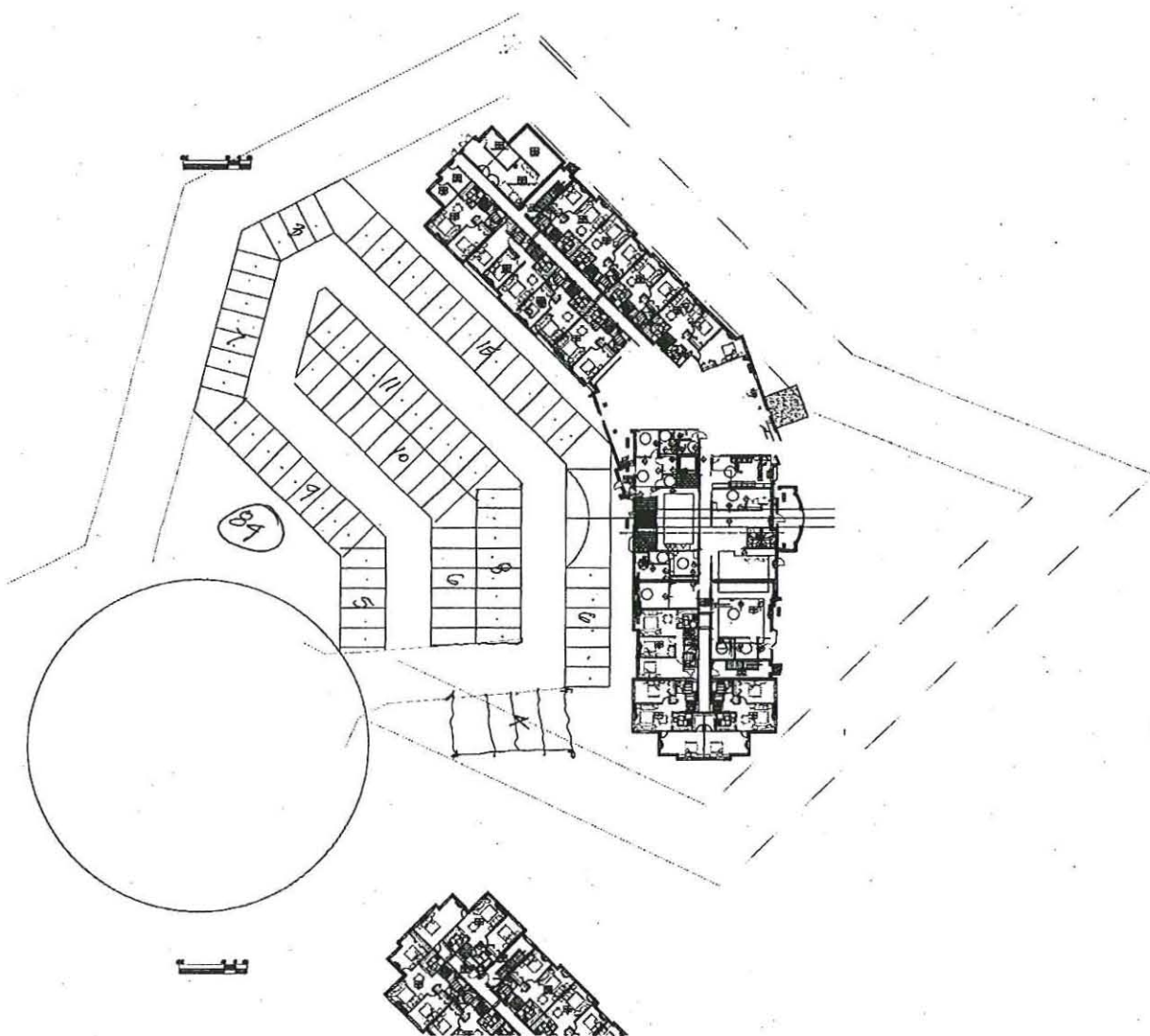
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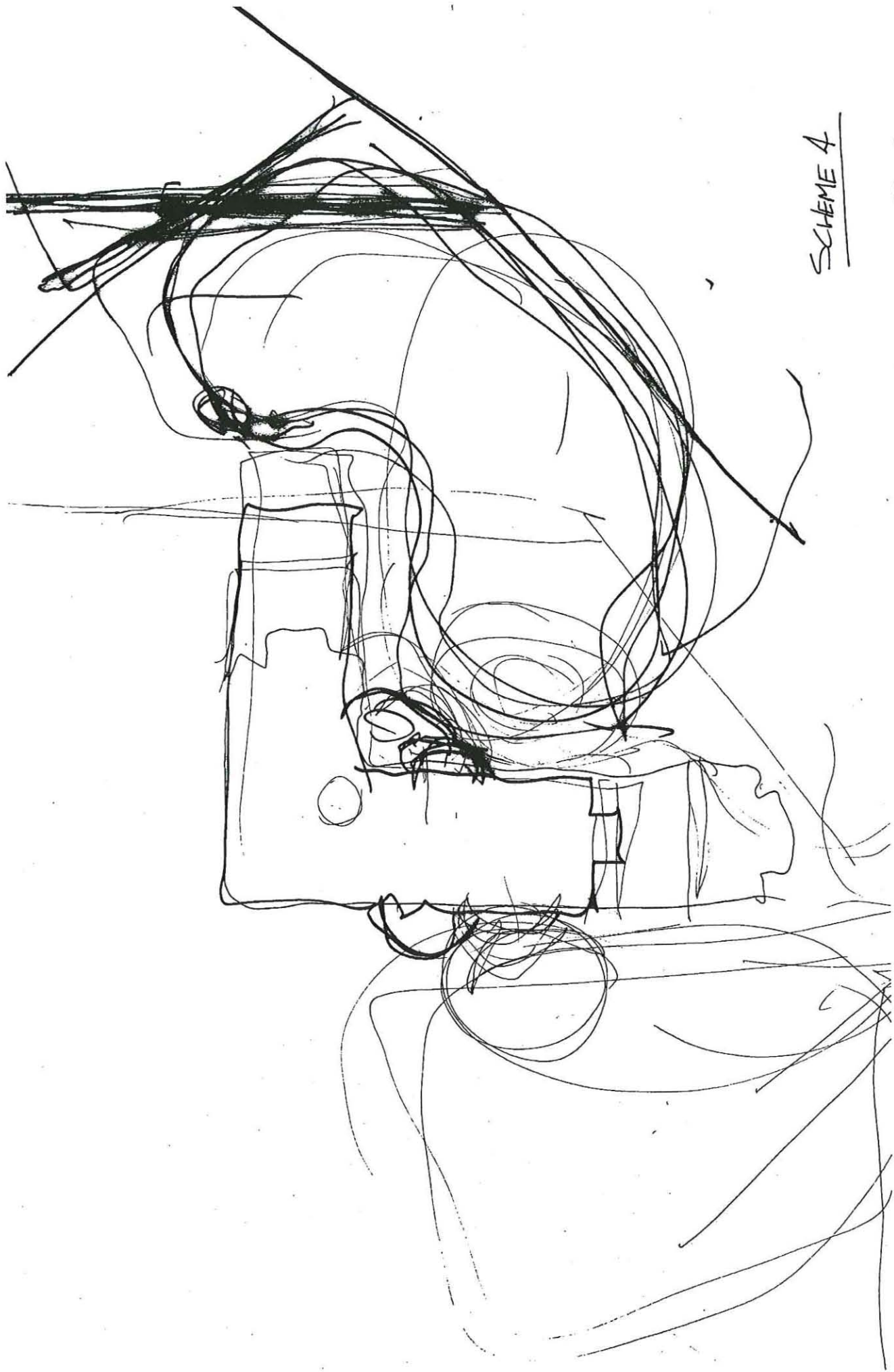
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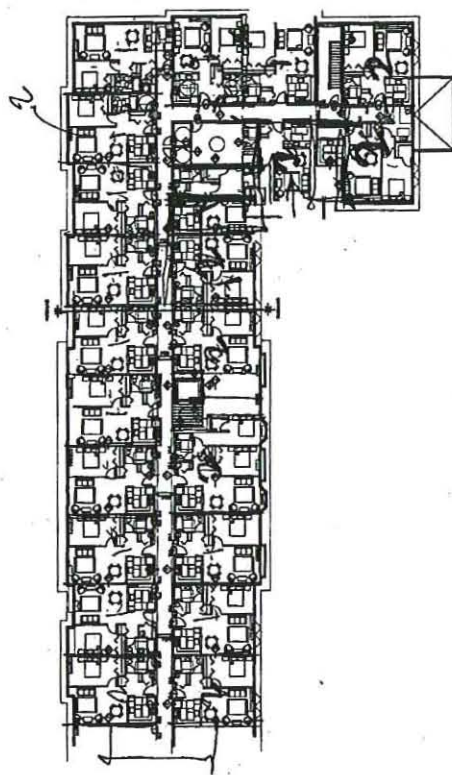




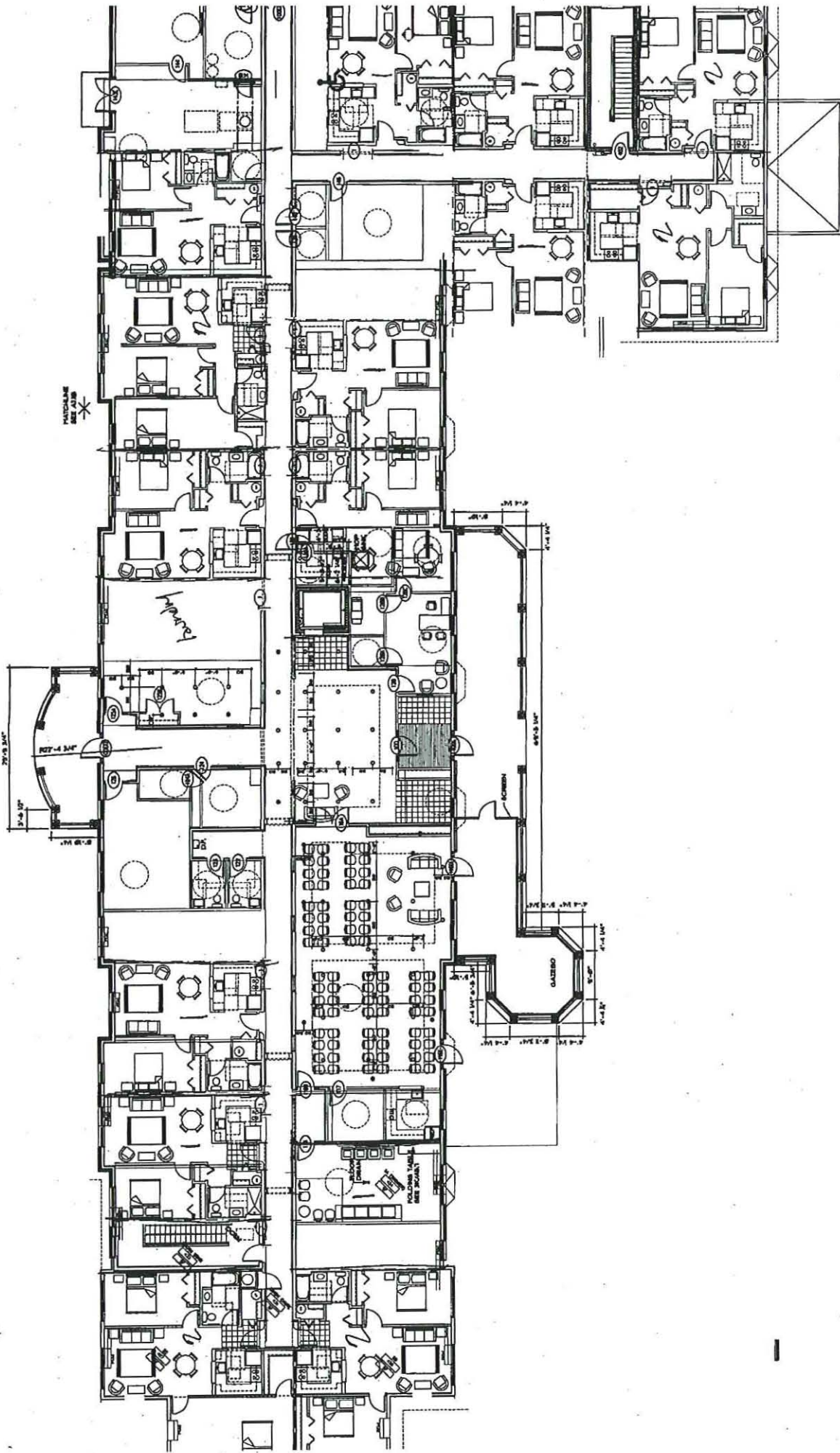


SCHEME 4





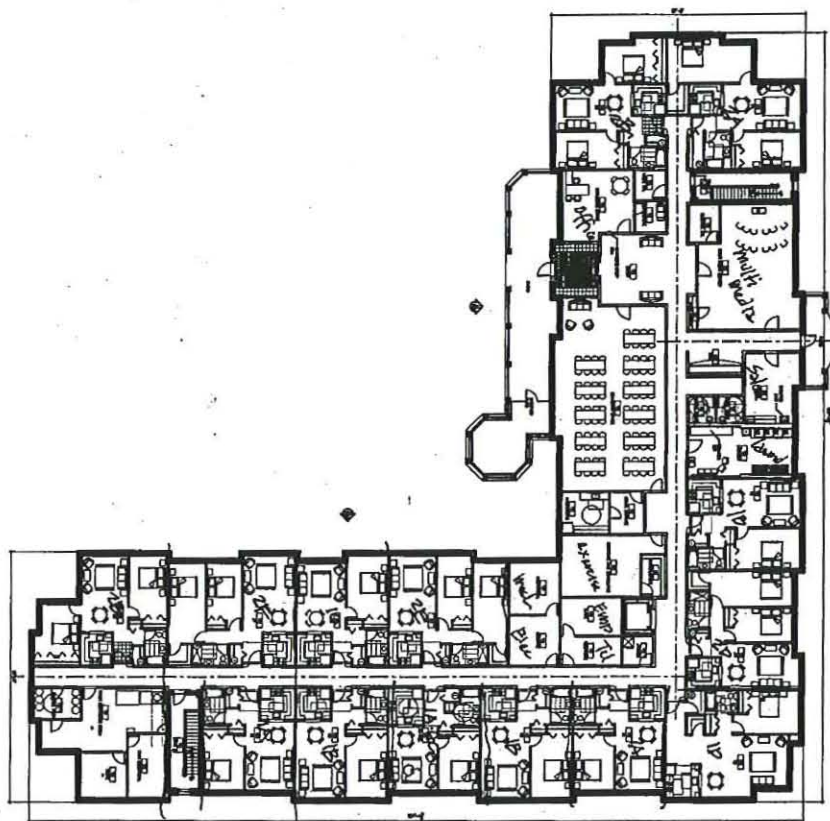
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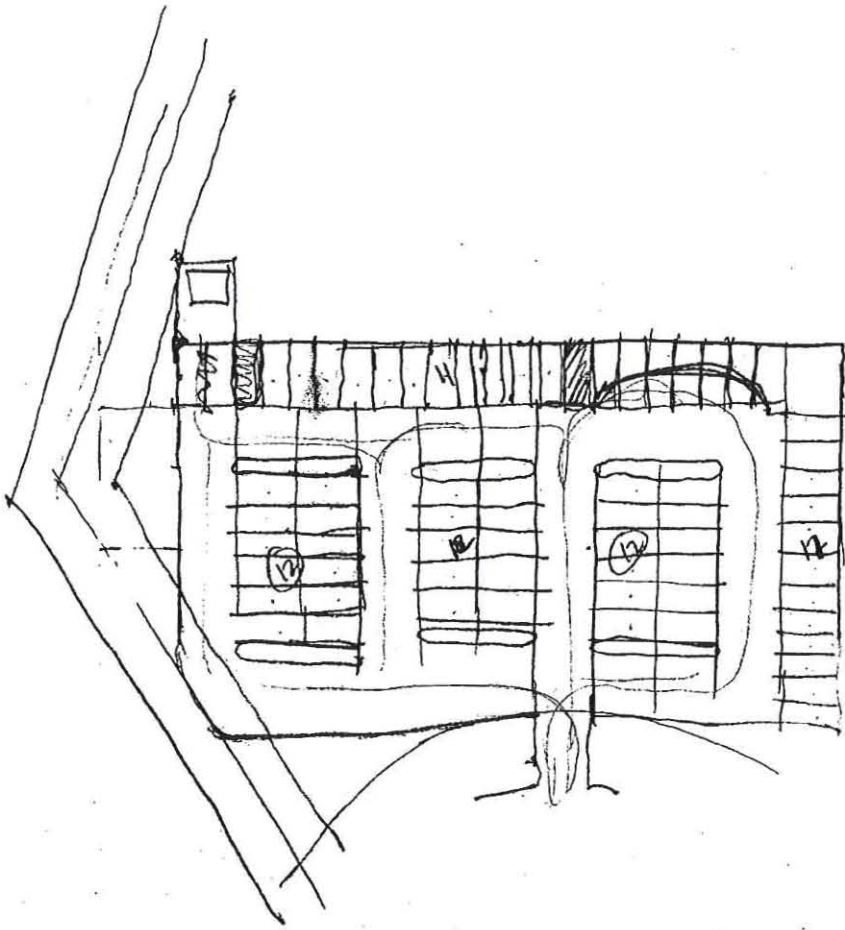
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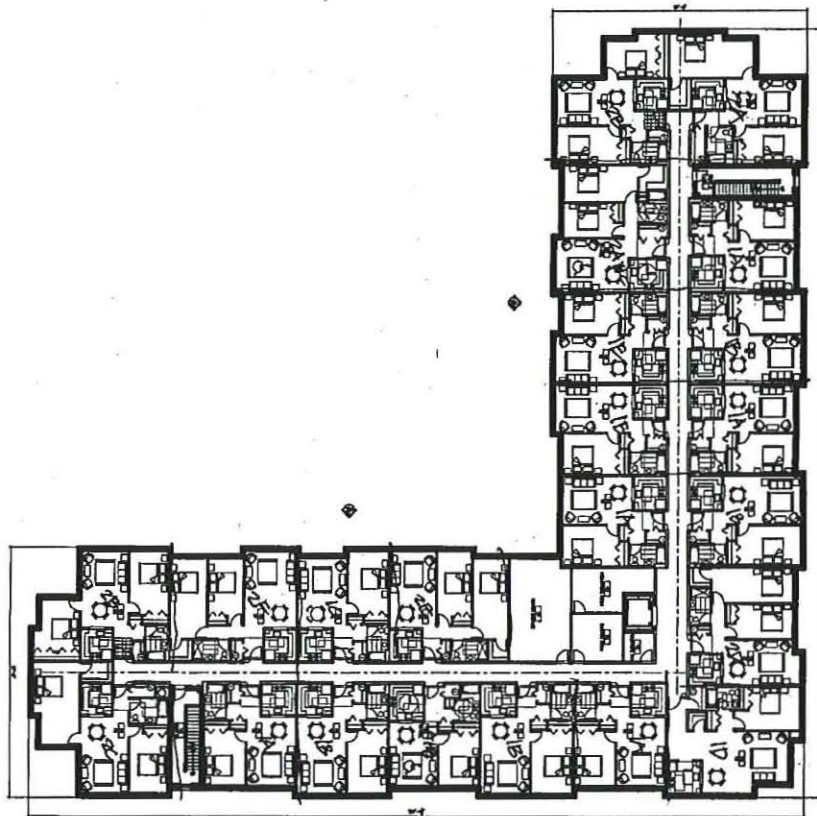


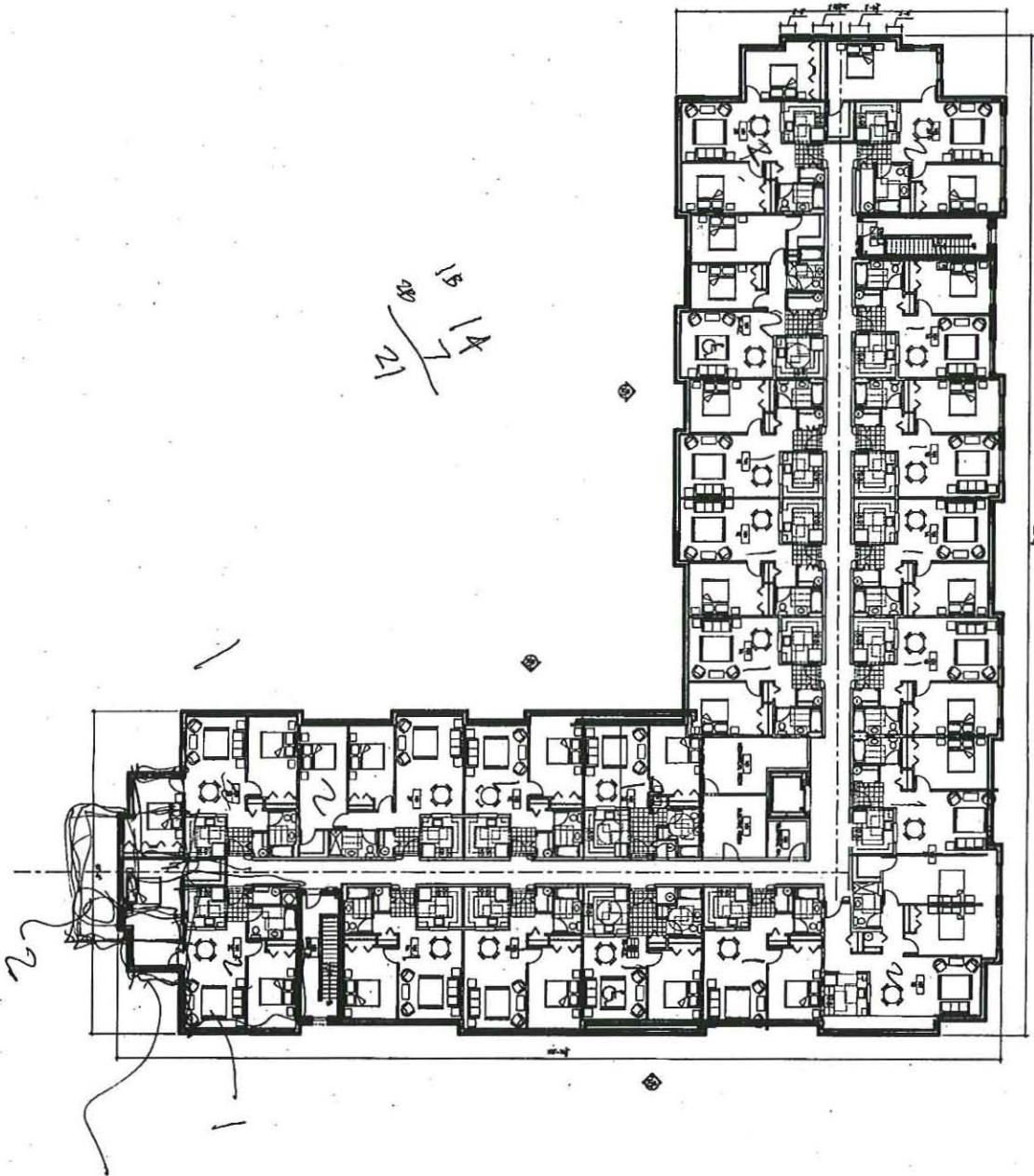








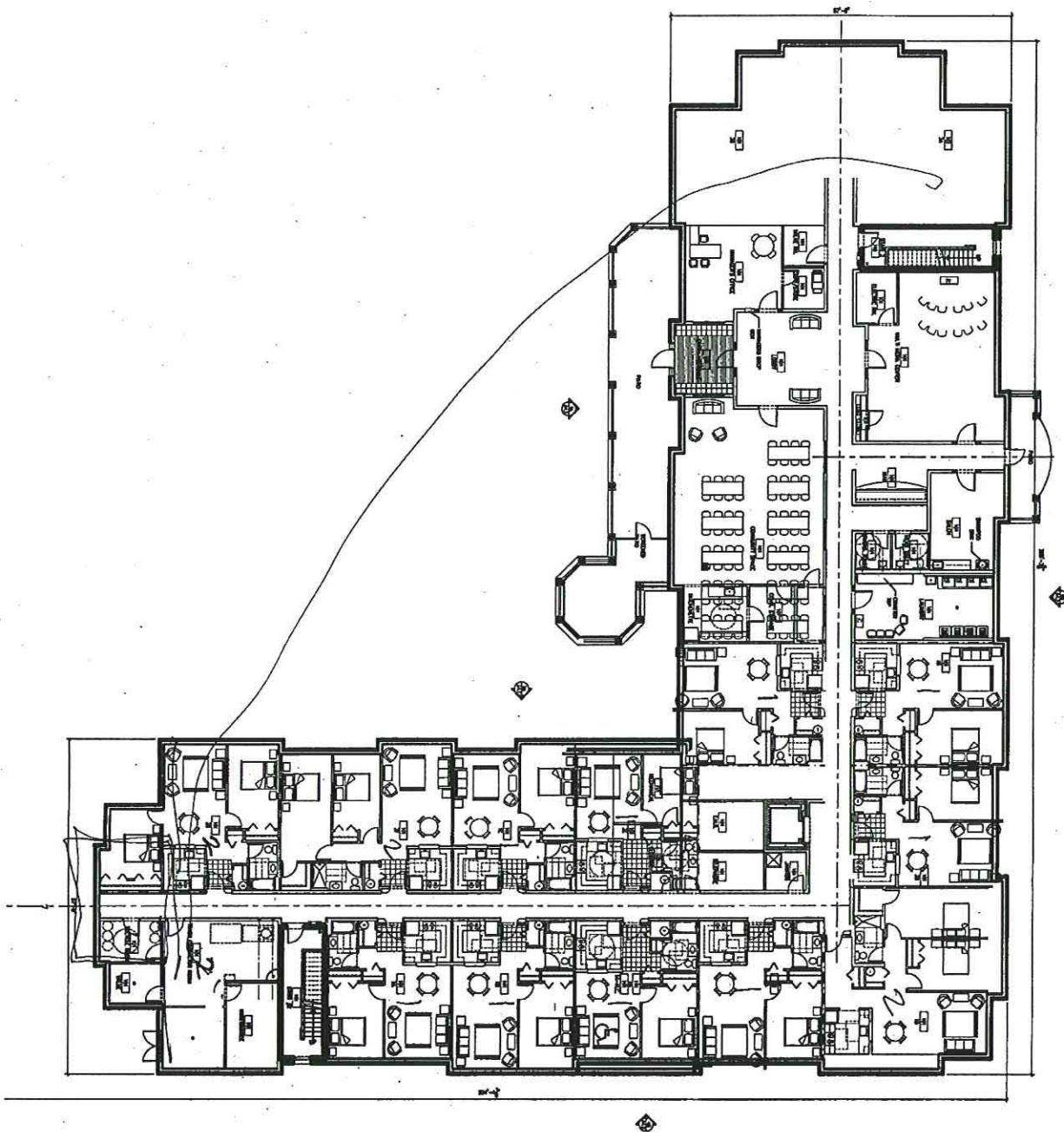




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#### 4-A. MARKET STUDY

The site for the subject project is located immediately west of Interstate 95 in within Emerson, a 570-acre master planned community in southeastern Howard County, Maryland. The site is served by Palace Hall Drive, a two-lane street that links to Skylark Boulevard within 0.2 miles and via Skylark to Gorman Road within 0.3 miles. The unincorporated Emerson district lies adjacent to the Howard County communities of North Laurel, Savage, and Scaggsville and south of Columbia's Village of King's Contrivance. The FAHS Group intends to target units to serve households at or below 60 percent, 50 percent, 40 percent, and 30 percent of Area Median Gross Income. The proposed unit mix and rent structure follow:

Proposed Unit and Rent Distribution						
Unit Type	Target % of Median	# of Units	Net Rent	Square Footage	Rent/ Sq. Ft.	Utility Allowance
One Bedroom, One Bath	30%	6	\$308	654	\$0.47	\$60
One Bedroom, One Bath	40%	23	\$431	654	\$0.66	\$60
One Bedroom, One Bath	40%	1	\$431	675	\$0.64	\$60
One Bedroom, One Bath	50%	3	\$554	675	\$0.82	\$60
One Bedroom, One Bath	50%	3	\$554	680	\$0.81	\$60
One Bedroom, One Bath	50%	4	\$554	702	\$0.79	\$60
One Bedroom, One Bath	60%	18	\$677	702	\$0.96	\$60
<i>Subtotal/Average One-Bedroom</i>		58	\$516	675	\$0.76	\$60
Two Bedroom, One Bath	30%	3	\$362	846	\$0.43	\$80
Two Bedroom, One Bath	40%	3	\$510	846	\$0.60	\$80
Two Bedroom, One Bath	40%	2	\$510	925	\$0.55	\$80
Two Bedroom, One Bath	40%	7	\$510	935	\$0.55	\$80
Two Bedroom, One Bath	40%	3	\$656	966	\$0.68	\$80
Two Bedroom, One Bath	60%	4	\$804	1,123	\$0.72	\$80
<i>Subtotal/Average Two-Bedroom</i>		22	\$563	948	\$0.59	\$80
<b>Total/Weighted Avg</b>		80	\$529	750	\$0.71	

Park View at Emerson rents will include trash removal and water/sewer utilities. Utility allowances of \$60 for one-bedroom units and \$80 for two-bedroom units are estimated for other utilities (electric), which will be the responsibility of tenants and has been factored into the reported rents above, as required by the Department of Housing & Community Development (DHCD). Park View at Emerson residents will be provided with refrigerators, ranges, garbage disposals, and dishwashers. All residents will have access to on-site amenities including laundry



and exercise facilities, a salon, a multi-media center, walking paths, a community room, and outdoor sitting areas.

### **Site Location and Neighborhood Amenities**

- The subject site lies within the rapidly emerging Emerson master planned community. Construction of the first single-family detached houses within the Emerson community began in 2002. During the four intervening years, hundreds of for-sale detached homes and townhouses have been built, primarily to the north and west of the subject site. Home sales are ongoing. The success of the relatively dense detached and attached single-family subdivisions suggests that the community is ripe for a multi-family senior rental project.
- Emerson lies between the desirable villages of the forty-year old master planned community of Columbia and the established neighborhoods abutting the Route 1 corridor. U.S. Routes 1 and 29, State Route 32, and Interstate 95 anchor the robust transportation network serving the subject site. Public transportation does not serve Emerson directly at the present time.
- Within a five minute drive to the east of the subject site, future residents of Park View at Emerson could reach diverse recreational opportunities and shopping establishments including the Club at Emerson, the Savage Mill Multi-Purpose Center (home to a senior center, library, and health center), two major supermarkets, a large county park, personal services, restaurants, and the destination shopping venue Savage Mill. Shopping and medical facilities in the Laurel area of Prince George's County and Greater Columbia (i.e. Howard County General Hospital, Laurel Regional Hospital, Laurel Mall, and The Mall at Columbia) are also easily accessible.
- General Growth Properties (GGP) has entitlements to build as much as 100,000 square feet of retail space on a parcel within 0.5 miles of the Park View at Emerson site. In addition, a concerted effort on the part of Howard County to rejuvenate Route 1 via support for mixed-use projects and other enhancements could very well add to the slate of amenities available to future residents of the subject site.

## **Economic Trends**

- Howard County has enjoyed a strong economy over the past fifteen years. The most recently observed unemployment rate and the fifteen-year average are both approximately 3 percent. The annualized rate of job growth between 1990 and the second quarter of 2005 was a strong 4.8 percent.
- As the recommendations of the 2005 Base Realignment and Closure Commission are implemented in the coming years, Fort Meade in Anne Arundel County (7 miles east of the site) stands to gain more than 5,300 permanent jobs. A projected 3,000 to 7,000 associated private sector jobs could follow, many of them to Howard County.
- Howard County's economic strength is a major draw for both senior citizens active in the workforce and seniors' adult children.

## **Growth Trends and Demographic Characteristics**

- The developers expect Park View at Emerson to draw residents primarily from an area that includes North Laurel and Savage as well as large portions of Columbia. The primary market area defined for this study is roughly bounded by Howard County's eastern and southern borders, Route 108 to the west, and Route 175 to the north.
- Between 1990 and 2005, the primary market area gained 12,851 net households, total growth of 37.9 percent.
- The number of households headed by individuals aged 62 and over in the primary market is expected to grow by 445 (a remarkable 5.7 percent) per year through 2010. The number of active adult households headed by householders between the ages of 55 and 61 is expected to expand by 313 per year.
- Some of the rapid growth in senior and active adult households will be offset by declines in households headed by 25 to 44 year olds, such that overall net household growth is projected at 568 households per year.
- The year 2005 estimated median income for age 62+ seniors in the primary market area is \$56,060. Despite the strong median, nearly 28 percent of households in this age

group (1,925 households) have low incomes of less than \$30,000 per year. An additional 8.8 percent (615 households) earn between \$30,000 and \$39,999.

- As of 2010, there are expected to be more than 2,700 households headed by seniors over the age of 62 with annual incomes below \$40,000.

### **Competitive Rental Market**

- Low stabilized vacancy rates (2.4 percent overall), relatively high rents (\$920 for one-bedrooms, \$1,109 for two-bedrooms on average), and a trend toward upgrading units (as many as 164 currently under repair in two complexes) characterize general occupancy rental communities near Emerson.
- Age-restricted rental opportunities for low- and moderate-income senior households are quite limited within the Park View at Emerson market area. More than 150 of the 418 age-restricted rentals in the market are high-end units. There are 202 affordable LIHTC senior units and 60 subsidized age-restricted rental units.
- The combined vacancy rate of two market area senior LIHTC communities and two LIHTC communities north of the market area is a scant 0.5 percent. All 262 affordable senior rental units within the market area are currently occupied.
- One-bedroom units at four surveyed LIHTC projects are targeted to 30, 40, 50, and 60 percent of AMGI. One-bedroom rents range from \$353 to \$741 and average \$598 per month. Two-bedroom LIHTC units (targeted to 50 and 60 percent of AMGI) have rents ranging from \$733 to \$897 and averaging \$805.
- Planned rental communities within the market area will not adequately address the needs of low- and moderate-income senior renters.

### **Findings and Conclusions**

- There is a sizable and increasing demand for senior rental housing in the Park View at Emerson Market Area. FAHS uncovered an excess demand for 1,067 senior rental units in the Emerson market as of 2006 and projects an excess demand for 1,334 senior units in 2009.



- Based upon five key criteria, Park View at Emerson would be well situated to compete with other rental communities for senior renter households:

**Location:** The successful development and sale of hundreds of detached homes and townhouses within Emerson over the past four years is evidence of the desirability of the neighborhood. A county-operated senior center and library is located only 1.4 miles to the east of the site. Several options for primary convenience goods and services available within approximately 2 to 3.5 miles. Recreational, cultural, and employment opportunities abound given easy road access and the centrality of the site in the Washington, DC-Baltimore region. A negative feature of the subject site – the fact that traffic noise from Interstate 95 is audible – can be mitigated using landscape elements, extra insulation, or other means.

**Unit Distribution:** As proposed, Park View at Emerson will offer 58 one-bedroom units (72.5 percent of the total) and 22 two-bedroom units (27.5 percent). In offering a relatively large number of two-bedrooms (only 7 percent of surveyed LIHTC units were two-bedrooms) Park View at Emerson is in a good position to attract senior households seeking extra living space. FAHS's overall emphasis on one-bedroom units is appropriate given overriding cost and affordability concerns.

**Unit Size:** Park View at Emerson's one- and two-bedroom units average 675 and 948 square feet respectively. The subject's average one-bedroom is larger than all age-restricted LIHTC one-bedrooms in the market other than those at Park View at Snowden River. The subject's age-restricted two-bedroom units are the largest of the affordable two-bedrooms surveyed on average. The subject's largest two-bedroom floor plan, at 1,123 square feet, is larger than the average two-bedroom floor plan at the luxury community Evergreens.

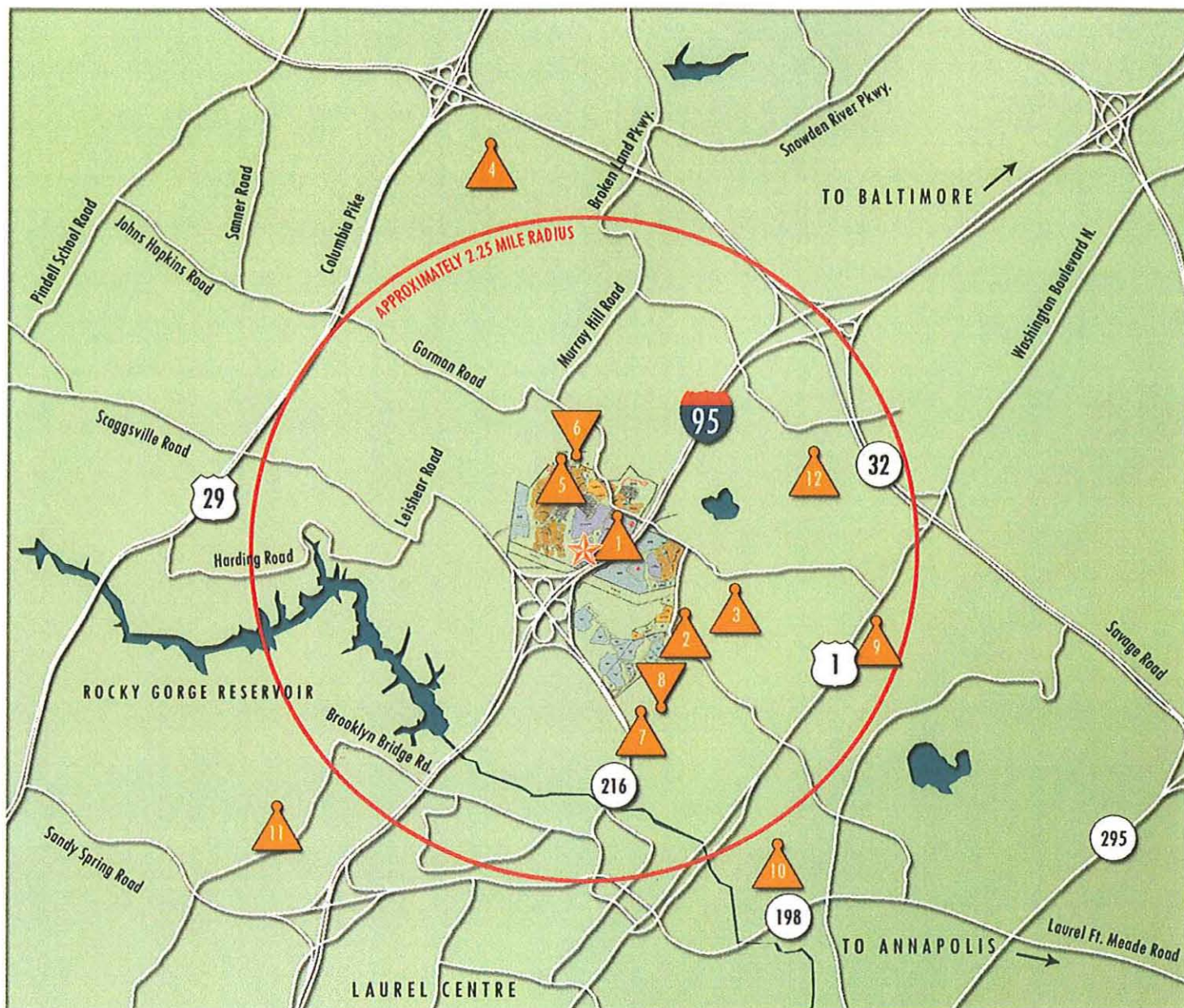
**Unit Features and Community Amenities:** All of Park View at Emerson's units will feature refrigerators, ranges, microwaves, garbage disposals, and dishwashers. Other than microwaves, these features are currently standard in the age-restricted rental marketplace. Community-wide amenities will be similar to those at other senior communities. The central laundry facility, multi-media center, exercise room, salon, community room, and

outdoor recreational facilities should help to meet many of the social and practical needs of tenants.

**Price Position:** The \$308 and \$362 one- and two-bedroom 30 percent units at Park View at Emerson will be the most affordable one- and two-bedroom units in the market. The 40 percent two-bedrooms at Emerson will also be priced below any two-bedroom units currently in service. Overall, the proposed rents would place Park View at Emerson at a more affordable price position than directly competitive units at Park View at Snowden River and Park View at Columbia. For each income target (30, 40, 50, and 60 percent), Emerson's proposed rents are below rents currently being marketed at the two Park View communities. Park View at Emerson's pricing should prove to be a strong competitive advantage.

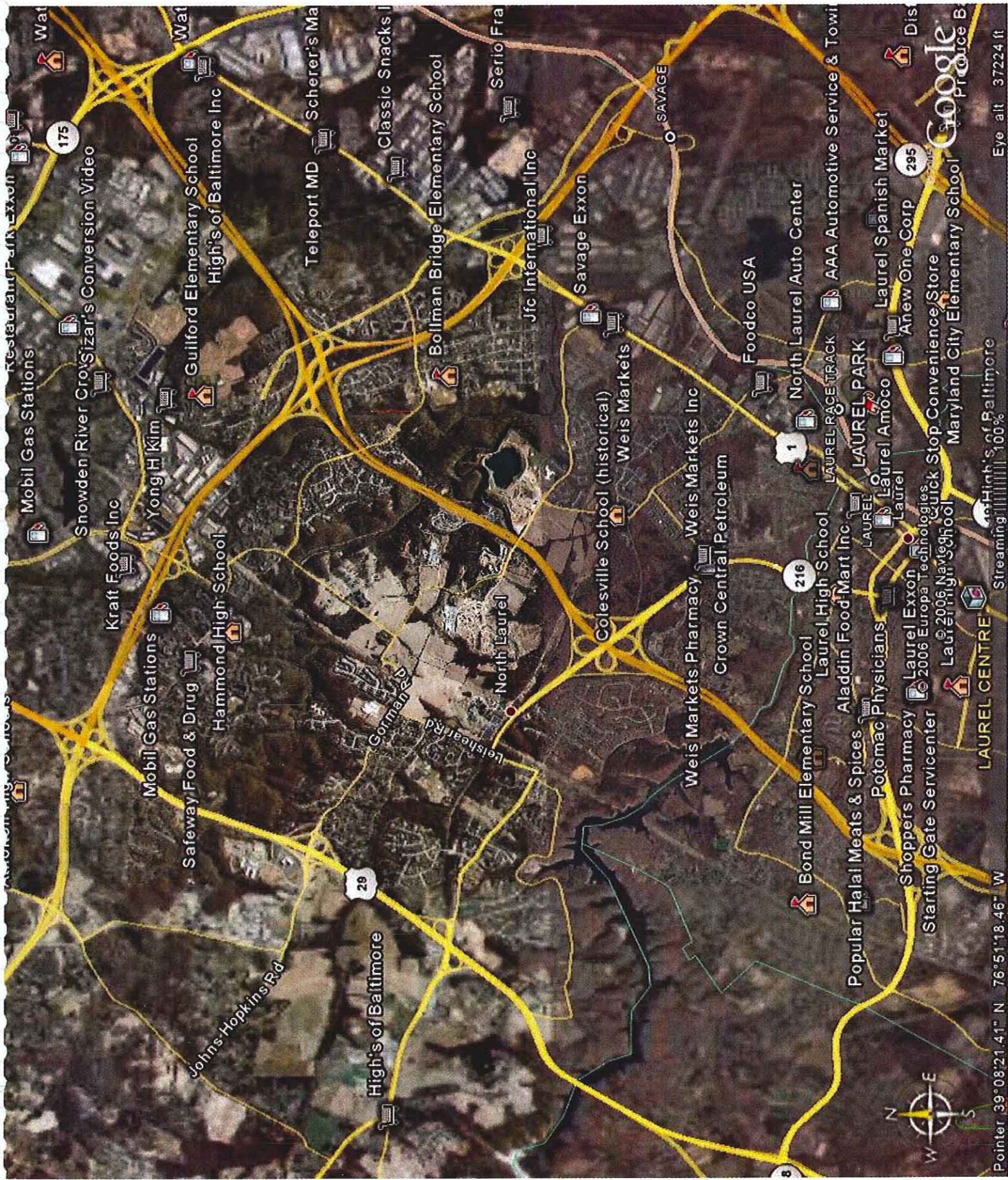
- Applying the proposed rent structure, income restrictions, and a 30 percent rent burden, Park View at Emerson would need to capture 4.4 percent of income-qualified senior households (over the age of 62) and 9.3 percent of income-qualified senior renters.
- Combined, the LIHTC units at the two existing Park View properties and Park View at Emerson will serve 15.5 percent of income-qualified seniors and 32.9 percent of income-qualified senior renter households.
- Given the limited quality affordable housing in the market, the subject site's location in a desirable and rapidly growing master planned community, the size and design of the proposed units, and the proposed amenity package, we believe the overall capture rates calculated for Park View at Emerson are easily obtainable. The project should not negatively impact existing communities.
- FAHS fully expects that some of the households choosing to rent units at Park View at Emerson will come from outside of the primary market, including those drawn to the area to reside near adult children and their families. Capture rates would be even lower if this potential pool of renters were incorporated into the analysis.





1. The Club at Emerson (Community Building — Swim & Tennis Club)
2. Hope Baptist Church
3. Savage Senior Center
4. Safeway Food & Drug
5. Gorman Crossing Elementary School
6. Murray Hill Middle School
7. Weis Markets
8. Whiskey Bottom Shopping Center
9. Weis Markets
10. Laurel Racetrack
11. Bond Mill Elementary School
12. Bollman Bridge Elementary School







#### **4-B. OTHER INVESTMENT IN THE COMMUNITY**

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Since 2002, the neighborhoods within the southeastern portion of Howard County have benefited from substantial new investments on the part of both private and public stakeholders. Many projects have been recently completed, others are currently under construction and still others are in the planning stages. This memorandum focuses on investments within a geographic area bounded by US Route 29/Columbia Pike to the west, State Route 32 to the north, the Howard County-Anne Arundel County line to the east, and the Howard County-Prince George's County and Howard County-Montgomery County lines to the south. These boundaries represent a roughly 2.5-mile radius around the subject Park View at Emerson Site.

Through a variety of sources, including publications, government documents, representatives of private development and commercial real estate companies, and Howard County planning and economic development staff that we met with prior to application, RPRG, our hired market consultant, has identified \$800 million in recent, current, and upcoming public and private investment within the area defined above. Commercial development and redevelopment activity has centered primarily upon the Route 1 corridor. Large residential investments have been attracted to the Emerson and Stone Lake Communities along Gorman Road. The public sector has invested heavily in projects to support the growth at Emerson and Stone Lake. The public sector also initiated and continues to lead a long-term revitalization effort along Route 1.

Massive residential investment between 2002 and 2005 took place at two communities of single family detached and attached homes—Emerson and Stone Lake. Proposed residential projects incorporate single-family and multi-family products:

- **Emerson**—The Rouse Company initiated the development of the master planned Emerson community. After acquiring the Rouse Company in August 2004, General Growth Properties has been responsible for overseeing Emerson's progress. Since the majority of the acreage that comprises Emerson was rural/undeveloped as recently as 2001, a significant amount of infrastructure investment has been necessary (in the form of roads, utilities, pedestrian facilities, etc.). The construction of the first structures at

Emerson began in 2002. To date, nearly 400 single-family detached homes, more than 250 townhouses, and a community-serving swimming and tennis club have been built. The single family detached homes are clustered into five enclaves known as Walden Glen, Bowhill, Amerside, Haddon Hall and Bradwell. Emerson's existing for-sale townhouses are grouped into four subdivisions-- Streamwood, Skylark Ridge, Townhomes at Emerson, and Bradwell Landing. Ten homebuilders have been active thus far at Emerson—Allan Homes, Beazer Homes, Columbia Builders, Douglas Homes, Goodier Builders, Nu-Homes, Patriot Homes, Ryland Homes, Troutman Communities, and Williamsburg Group. Remaining townhouses at Skylark Ridge and single-family homes in Haddon Hall enclave are currently being marketed. Additional residential development is expected in the future.

- **Stone Lake**—Stone Lake is a high-end, gated residential community accessed from a single entrance located just north of the intersection of Stephens Road and Gorman Road. Stone Lake abuts the easternmost enclave of Emerson to the northeast. Stone Lake's residences, the first of which were constructed in 2003, are laid out surrounding a private lake. Stone Lake's detached homes and townhouses have been built by Miller & Smith, Goodier Builders, Churchill Development Corporation, and other builders.

- **Patuxent Square**—Orchard Development Group intends to break ground during the summer of 2006 on 80 units of affordable rental housing at 9902 Washington Boulevard/Route 1. The 80 Low-Income Housing Tax Credit supported rental units are to be part of a mixed-use structure. The apartments will be built above approximately 14,500 square feet of ground floor retail space. The Patuxent Square project is one of the initial projects stemming from Howard County's Route 1 Revitalization push.

- **Westover Glen**—A site plan for an age-restricted for-sale subdivision submitted on behalf of Dale Thompson Builders is currently under review by the Howard County Planning Board. Dale Thompson intends to develop 114 condominium units and 26 townhouses on a parcel just north of the Emerson community on the east side of Gorman Road.

- **Cherry Tree Park**—Brantly Development Group has proposed a community of 128 condominiums off of Ice Crystal Drive, near the intersection of Route 216 and Route 29. Brantly intends to restrict the condominiums to senior households. Brantly submitted



a subdivision plan to the County Planning & Zoning Department in February 2006 and hopes to begin marketing the first phase of the condominium project by the Spring of 2007.

Private sector stakeholders have invested well over \$200 million in new construction commercial projects in the North Laurel and Savage areas since 2002. Recent industrial-warehouse investment and recent or upcoming retail investments include:

- Dreyer's ice cream manufacturing plant
- Lincoln Center Two
- Lincoln Center Three
- CarMax Auto Reconditioning Facility
- Maier Industrial park Condominiums
- Chevy Chase Bank
- Emerson Village Center Retail
- Harris Teeter Supermarket

The commitment of public sector to the neighborhoods in the vicinity of Park View at Emerson is evident in the more than \$111 million channeled to various infrastructure improvement projects since 2000. Though the vast majority of the investment is dedicated to roadways, parks, community centers, and emergency services have also been addressed include:

- Relocation of State Route 216
- Improvements to various North Laurel collector roads
- Widening of Route 29
- Route 1 Revitalization projects
- North Laurel Park and Community Center
- High Ridge Community Park
- Savage Fire Station Addition

In summary, the public and private sectors exhibited a strong willingness to invest in the future of the southeastern Howard County area. Proposed investments certainly add to the impressive total of more than \$800 million committed and/or expended over the past four years.

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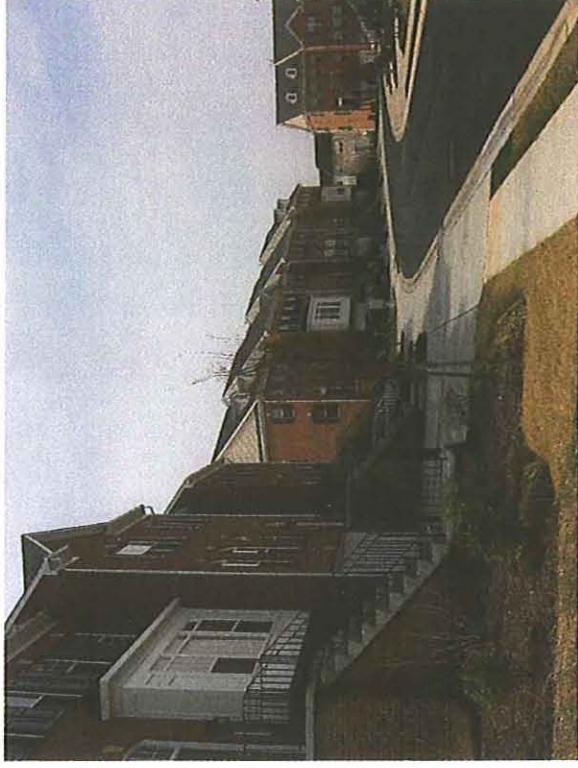
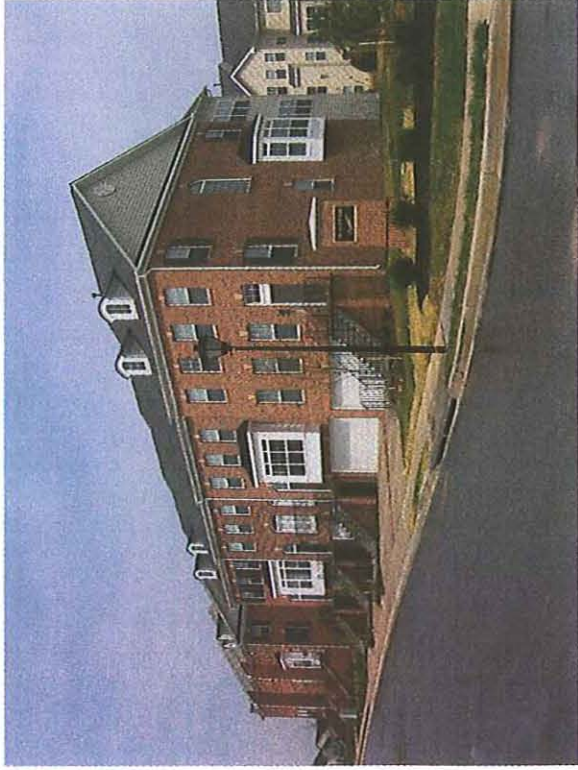
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# Emerson Site Photos– Recently Built Surrounding Architecture



- Highgate Area Townhomes
- Built in 2004

# Emerson Site Photos– Recently Built Surrounding Architecture



- Bowhill & Amberside neighborhoods within Emerson
- Construction Began in 2005– Nearly Built-out



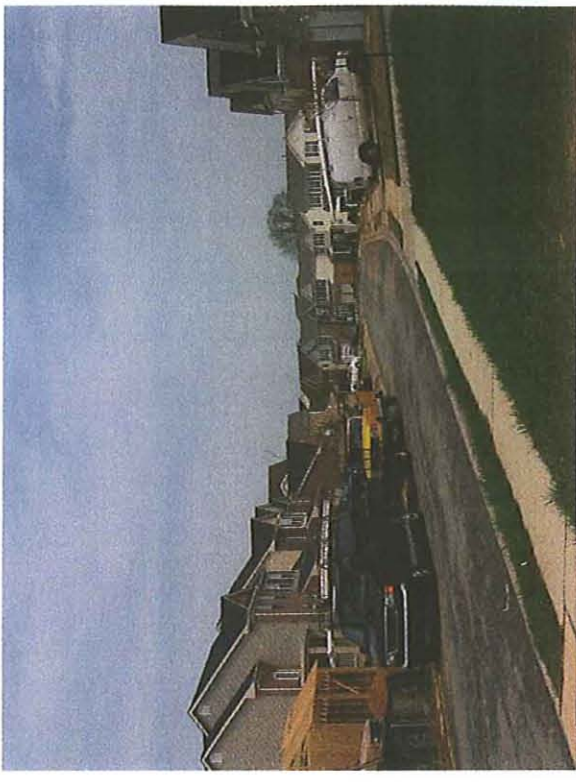
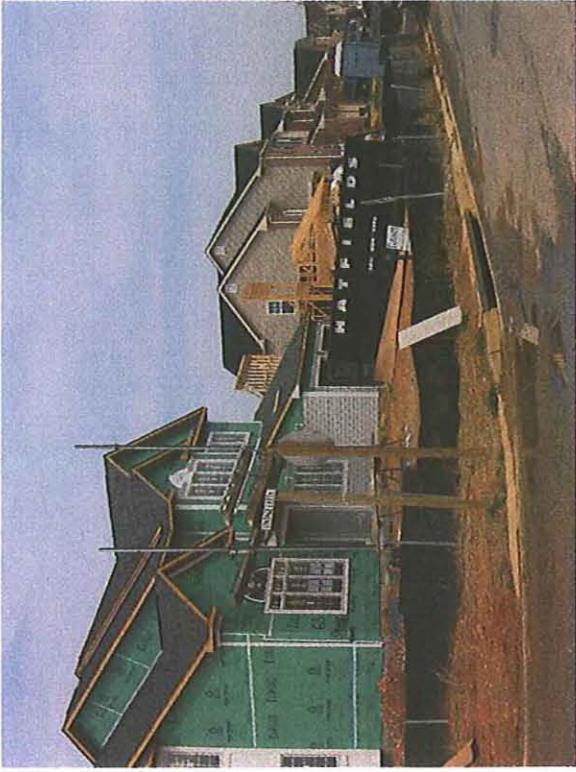
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- Townhome Community
- Single Family Homes– Recently
- Community Diversity



# Emerson— Constructing New Neighborhoods



- New construction activity at Haddon Hall
- Neighborhood Nearly Built-Out

# Park View--Existing Site Status



- Palace Hall Drive Cul-de-sac
- Pad Site with Utilities (water & sewer) to the Site
- Island will be landscaped by Master Developer



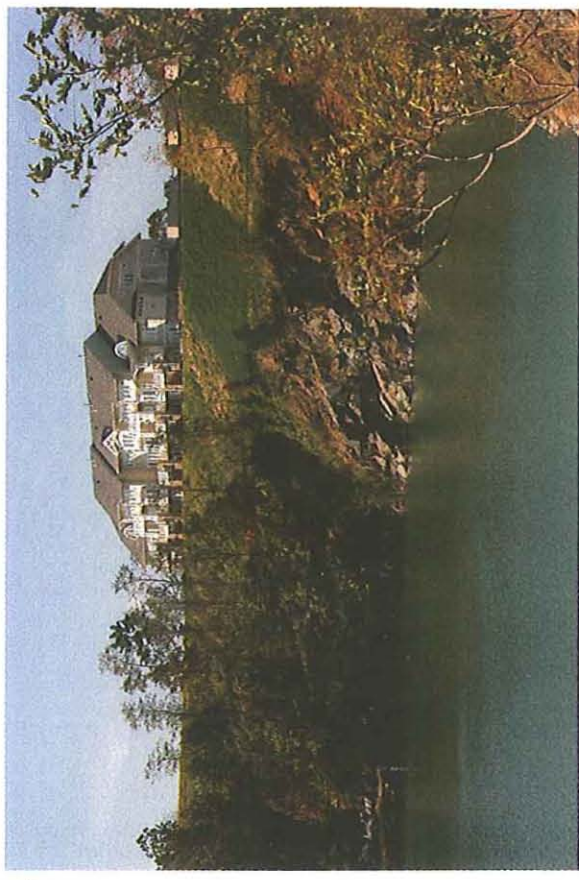
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- In place storm water management pond
- Mature landscape naturally buffers the interstate

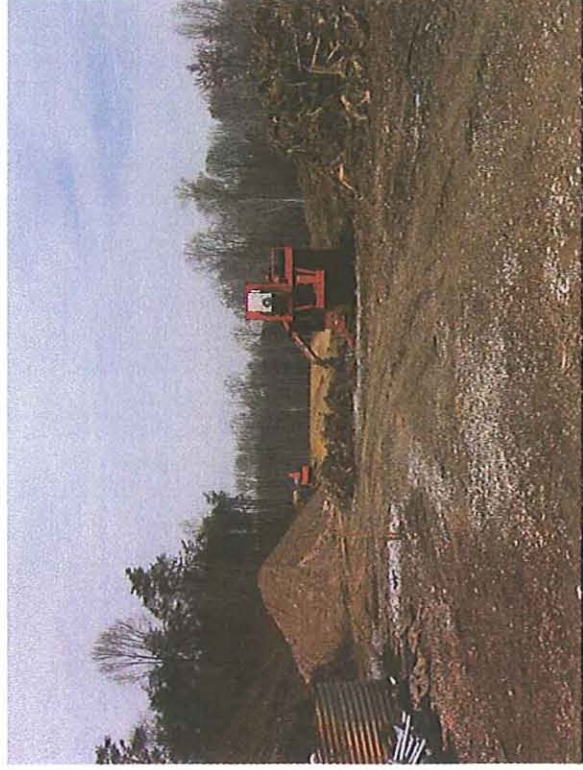


# Emerson's Newly Built Communities



- Emerson's Stone Lake Community
- Beautiful Architecture & Natural Amenities

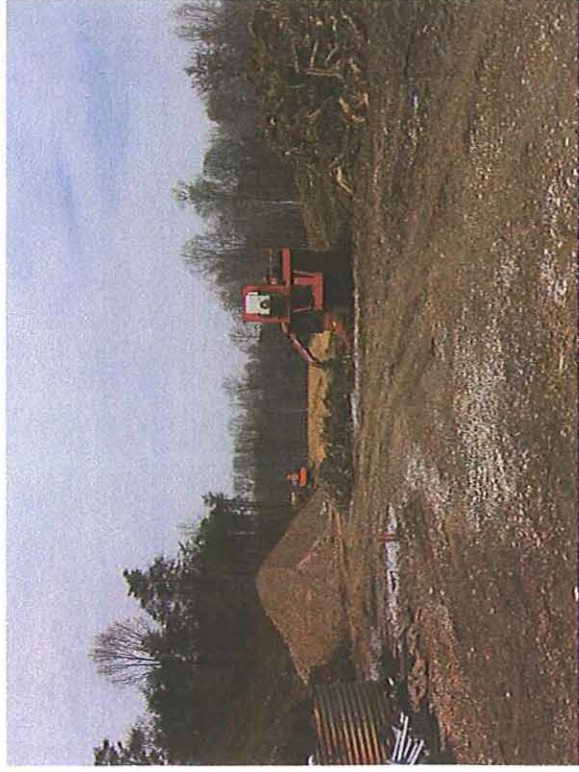
# Nearby Construction



- Mass Grading of New Residential Development
- Condominium Building Under Construction

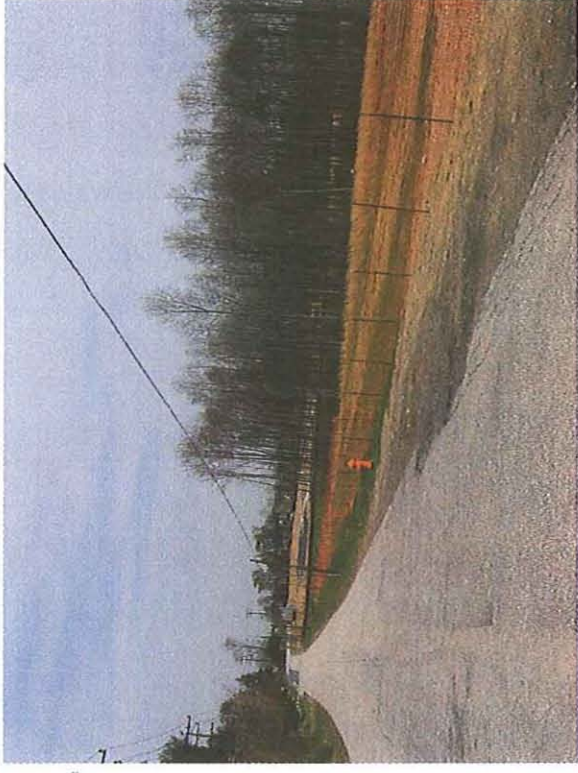


# Construction in Progress





# Nearby Construction Activity



- Site Work for New Communities
- Work being done within Emerson Community & Nearby Emerson Community

# Nearby Amenities



- Newly Built Emerson Community Center-- Pool, Tennis Courts
- Howard County Public Library



# Emerson Site Photos– Recently Built Surrounding Architecture



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- Built in 2004



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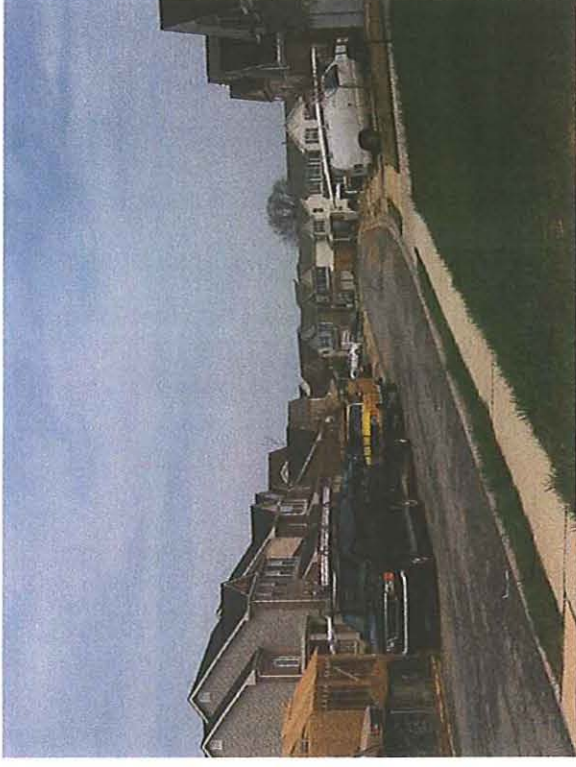
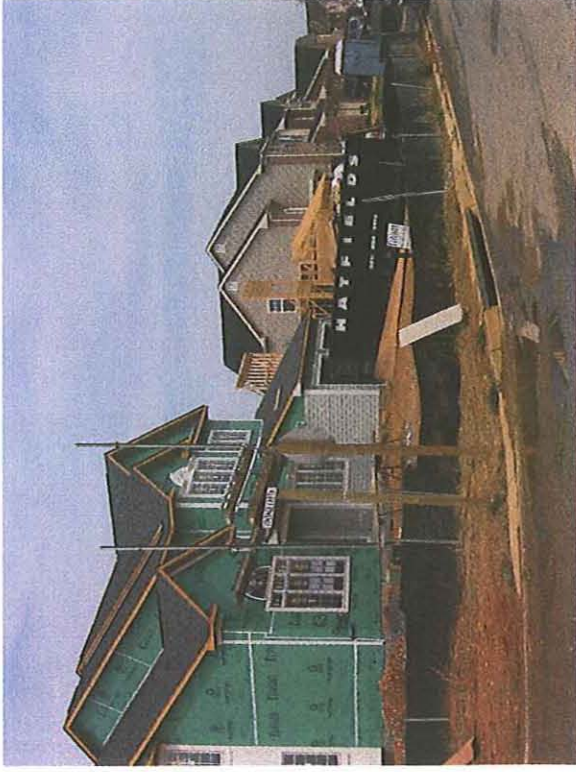
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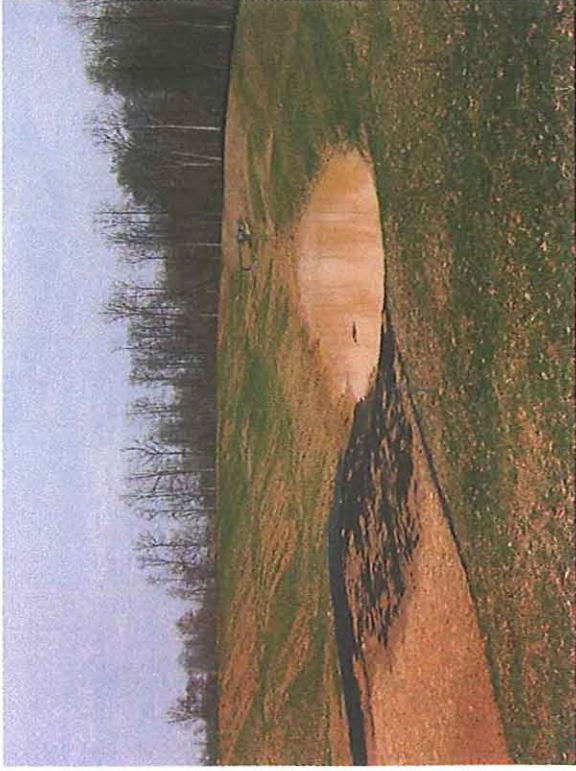


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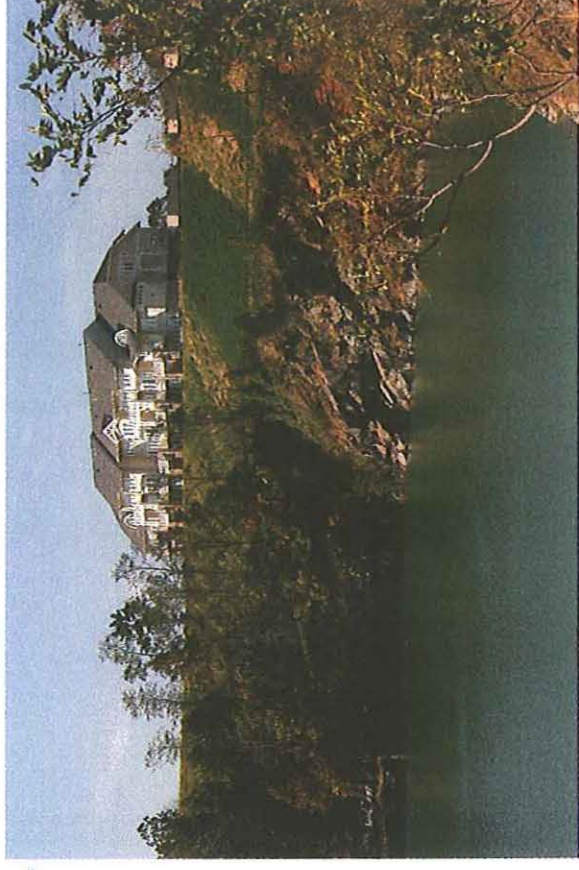
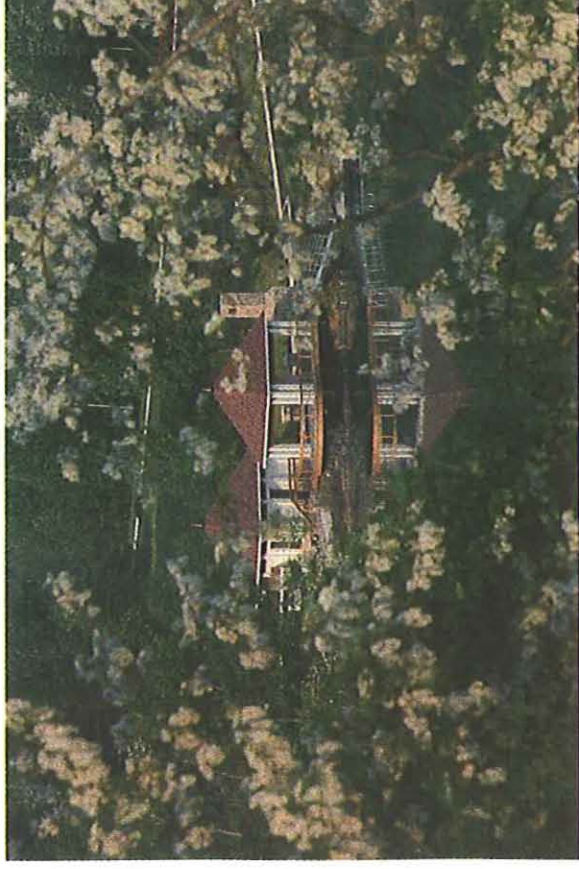
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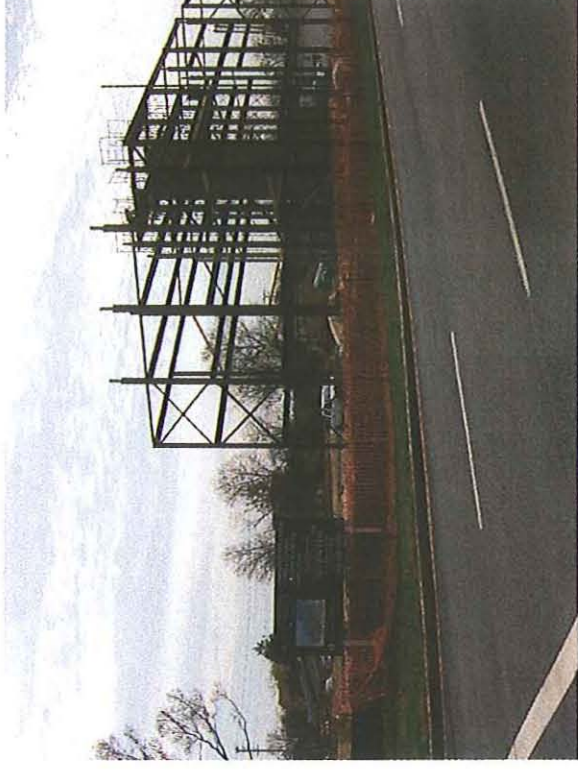
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- Beautiful Architecture & Natural Amenities

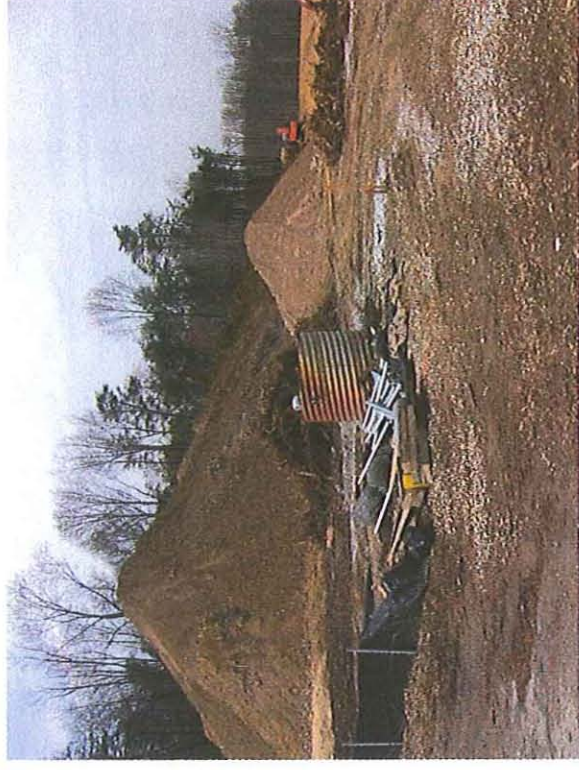
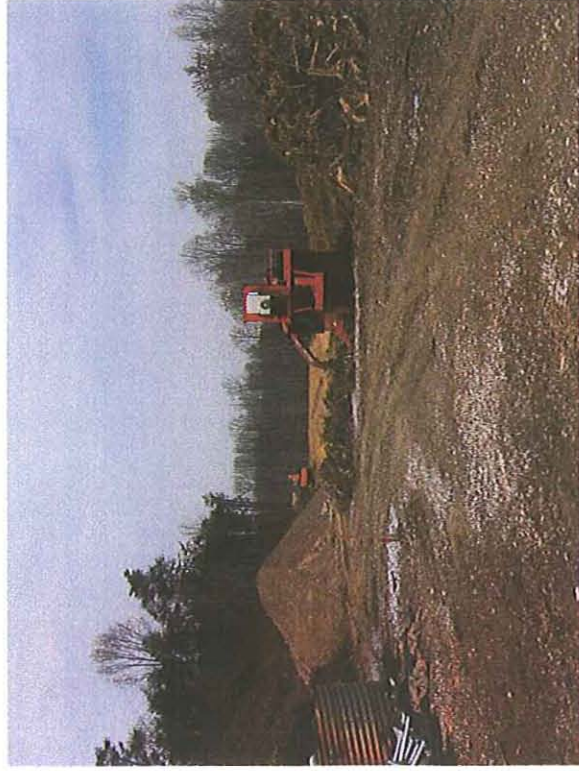


# Nearby Construction



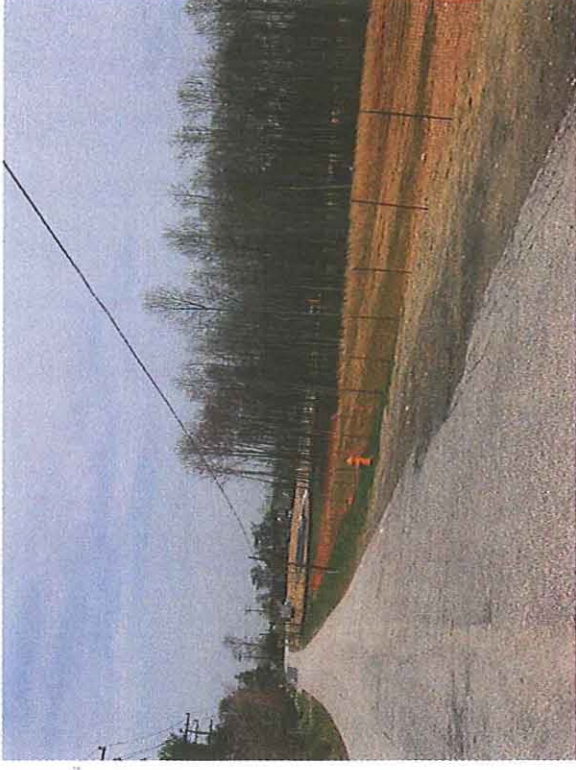
- Mass Grading of New Residential Development
- Condominium Building Under Construction

# Construction in Progress





# Nearby Construction Activity



- Site Work for New Communities
- Work being done within Emerson Community & Nearby Emerson Community

# Nearby Amenities



- Newly Built Emerson Community Center-- Pool, Tennis Courts
- Howard County Public Library





Project Name  
Location

Park View at Emerson  
Howard County, MD

Current Fee	\$	1,097,485
Deferred Fee	\$	295,551
Loan Amount	\$	1,696,751
Tax Credit Equity	\$	7,549,830

Today's Date (Date of Rents & Expenses) 12/31/2006

Construction Start Date	5/1/2007		
Construction Months	10		
Stabilized Vacancy Rate	5.000%	Interest Only Construction Period (months)	13
Post Construction Rents Escalation rate	2.000%	Debt Payments from Operations Begin	11
Revenue Escalation through Construction	2.000%	Amortization Period (years)	40
Expense Escalation through Construction	3.000%	Amortization Calculation Interest Rate	6.750%
Other Income Escalation Rate	2.000%	Amort. Calculated (2) or Stipulated (1)	2
Replacement Reserve (per unit)	\$ 300	Stipulated Monthly Amortization	
Management Fees (as a % of Rents)	5.0%	Loan Extension Fees	0.000%
Min. Monthly Management Fee	-	BSPRA/SPRA (1=BSPRA; 0=SPRA)	0
9% Tax Credit Percentage Locked	8.15%	Investor Servicing Fee	2,500
4% Tax Credit Percentage	3.49%	Investor Servicing Fee Annual Escalation	3%
Qualified Basis (% of Low Income Units)	100.00%	% Applied to Def. Fee before Soft Debt	25%
Tax Credit Pricing	\$ 0.97	State Funds (Second Mortgage)	1,500,000
Interim Income used to pay costs during construction (Y/N)	N	State Funds Rate	4%
50% Bond Test		State Funds Term	30
Developer Fee paid during construction (Y/N)	Y	County Funds (Third Mortgage)	-
If "Y", % Paid During Construction	25%	County Funds Rate	
Tax Credits (1=yes; 0=no)	1	County Funds Term	
Taxable (1=yes; 0=no)	1	Fourth Mortgage	
Investor Interest Rate	5.75%	Fourth Mortgage Rate	
Cushion	0.75%	Fourth Mortgage Term	
GNMA Servicing Fees	0.25%		
Lender Servicing Fees	0.00%		
Additional Lender Servicing Fees	0.00%	Prop. Taxes out of Ops Begin (month)	11
Overall Debt Service Rate	6.75%	Lease Up Prop Taxes Based On	3
Construction Period Interest Rate	6.75%		
M.I.P	0.500%	Month Replacement Reserves Begin	11
DSCR Minimum	1.11		
LTV Maximum	90%		
Loan Amount			

	Rents	Units	
1BR;1BA - 60%	\$ 677	18	\$ 700
1BR;1BA - 50%	\$ 554	10	\$ 595
1BR;1BA - 40%	\$ 431	24	\$ 595
1BR;1BA - 30%	\$ 308	6	\$ 700
2BR;1BA - 60%	\$ 804	4	\$ 825
2BR;1BA - 50%	\$ 656	-	\$ 710
2BR;1BA - 40%	\$ 510	15	\$ 710
2BR;2BA - 30%	\$ 362	3	
Add additional Apartment Types			
Add additional Apartment Types			
Add additional Apartment Types			
Total/Average Rents	\$ 523	80	
Staff Units	725	-	
Other Income	8.91		



Park View at Emerson  
Howard County, MD

Development Budget

				Tax Credit Basis				
		80 UNITS	BUDGETED AMOUNT	\$ PER UNIT	% into Basis	9% Basis	4% Basis	Amortizable Non-Amortizable
<b>USES</b>								
(1)	Land/Agricultural Assessment		\$ 1,200,000	\$ 1,200,000	\$ 15,000	0%	-	-
(2)	Construction Contract		\$ 7,061,040	\$ 87,638	98%	6,919,819	-	-
(4)	Hard Cost Contingency		\$ 353,052	\$ 4,413	50%	176,526	-	-
(5)	Contractors Profit/Overhead	6%	\$ -	\$ -	100.0%	-	-	-
	Off Site Improvements-- BGE/Verizon		\$ -	\$ -	0.0%	-	-	-
(6)	Construction Interest (Debt)		\$ 60,000	\$ 1,000	50%	40,000	-	-
(7)			\$ 7,494,092	\$ 92,051				
<b>Architectural &amp; Engineering</b>								
(8)	Architect/Design		\$ 250,000	\$ 3,125	100.0%	250,000	-	-
(10)	Architect Supervision		\$ 100,000	\$ 1,250	100.0%	100,000	-	-
(11)								
(12)			\$ 350,000	\$ 4,375				
<b>Legal</b>								
(13)	Acquisition/Debt Closing		\$ 60,000	\$ 1,000	2.0%	1,600	-	-
(15)	PHFA Legal		\$ -	\$ -	2.0%	-	-	-
(16)			\$ 60,000	\$ 1,000				
<b>Financing Fees</b>								
(18)	Lender Legal		\$ 7,500	\$ 94	0.0%	-	-	-
(19)	CDA Closing Fee		\$ 4,000	\$ 50	0.0%	-	-	-
(20)	HIP	0.5%	\$ 8,484	\$ 106	2.5%	212	-	-
(21)	CDA Loan Admin Fee	0.00%	\$ 20,000	\$ 250	2.5%	500	-	-
(22)	Financing Fees	3.50%	\$ 59,386	\$ 742	0.0%	-	-	-
(23)	Perm App. Fee and Lender Legal	0.00%	\$ -	\$ -	100.0%	-	-	-
(24)	Title/Recording		\$ 75,000	\$ 938	-	5,000	-	-
(25)	Bond Issuer's Costs	2.00%	\$ -	\$ -	2.5%	-	-	-
(26)	Bond Issuer's Fees	1.50%	\$ -	\$ -	2.5%	-	-	-
(27)	Secondary Financing/Mortgage Broker Fee		\$ -	\$ -	2.5%	-	-	-
(28)			\$ 174,370	\$ 1,242				
<b>Studies/Relocation</b>								
(29)	Appraisal		\$ 11,000	\$ 138	100.0%	11,000	-	-
(30)	Market Study		\$ 10,000	\$ 125	100.0%	10,000	-	-
	Soils		\$ 6,500	\$ 81	100.0%	6,500	-	-
(31)	Engineering/Survey		\$ 100,000	\$ 1,250	100.0%	100,000	-	-
(32)	Environmental Report		\$ 3,500	\$ 44	100.0%	3,500	-	-
(33)			\$ 131,000	\$ 1,431				
<b>Fees &amp; Permits</b>								
(34)	County Fees		\$ 100,000	\$ 1,250	100.0%	100,000	-	-
(35)	Initial HOA Fee		\$ 12,000	\$ 150	0.0%	12,000	-	-
(36)	School Impact Fee		\$ -	\$ -	100.0%	-	-	-
(37)	Connection Charges/Tap Fees		\$ 225,000	\$ 2,813	100.0%	225,000	-	-
(38)	Permit and Review Fees		\$ -	\$ -	100.0%	-	-	-
(39)			\$ 337,000	\$ 4,213				
<b>Accounting &amp; Inspections</b>								
(40)	Accounting: cost & basis certs	cost and basis certs	\$ 10,000	\$ 125	100.0%	10,000	-	-
(42)	PHFA closing fee and Constr monit.		\$ 7,500	\$ 94	100.0%	7,500	-	-
(43)			\$ 17,500	\$ 219				
<b>Real Estate Taxes</b>								
(44)	Property Taxes / Insurance / Utility		\$ 50,000	\$ 625	100%	50,000	-	-
(45)			\$ 50,000	\$ 625				
<b>HUD APPROVED COSTS</b>			\$ 9,833,962	\$ 9,833,962				
(47)	Architect/Eng. Reimbursables		\$ 15,000	\$ 188	0.0%	-	-	-
(48)	Tax Credit Application Fees		\$ 1,000	\$ 12	0.0%	-	-	-
(49)	Tax Credit Compliance Monitoring		\$ -	\$ -	0.0%	-	-	-
(50)	Tax Credit Fees		\$ 31,134	\$ 390	0.0%	-	-	-
(51)	Syndication Legal		\$ 10,000	\$ 125				
(52)	Accounting and Auditing		\$ 10,000	\$ 125				
(53)	Soft Cost Contingency		\$ 50,000	\$ 625				
(54)			\$ -	\$ -				
(55)	Property Tax Escrow		\$ -	\$ -	0.0%	-	-	-
(56)	Bridge Loan Interest		\$ -	\$ -				
(57)	Audit Cost Cert		\$ -	\$ -				
(58)	Additional Contractors Profit/Overhead		\$ -	\$ -				
(59)	Initial Deposit to RFR		\$ -	\$ -				
(60)			\$ 117,134	\$ 813				
<b>Marketing/Leasing</b>								
(61)	Marketing/Leasing		\$ 70,000	\$ 875	0.0%	-	-	-
(62)	Model/Office Furniture/Equip/Sign/Transformer		\$ 120,000	\$ 1,500	100.0%	120,000	-	-
(63)			\$ 190,000	\$ 2,375				
(64)	Cost to Carry Reserve / Operating Reserves		\$ 200,000	\$ 2,500				
(65)	Developer Overhead	200,000 1.5%	\$ 1,393,037	\$ 17,413	100.0%	1,393,037	-	-
(66)	Other Development LOC		\$ -	\$ -				
(67)	Initial Operating Loss LOC		\$ -	\$ -				
(68)	Construction/Negative Arb LOC		\$ -	\$ -				
(69)	LOC fees	1.5% 2.0%	\$ 8,000	\$ 100	100%	8,000	-	-
(70)			\$ 1,601,037	\$ 19,913				
(71)								
(72)								
(73)								
(74)								
(75)	<b>TOTAL NON-HUD COSTS</b>		\$ 1,908,170	\$ 1,908,170				
(76)	<b>TOTAL TAX CREDIT BASIS</b>					9,550,194	-	
(77)								
(78)	Total Uses		\$ 11,742,132	\$ 11,742,132	\$ 146,777	Development Costs for Fee Calc	\$ 8,486,910	
<b>SOURCES</b>								
	1st Mortgage	\$ 1,696,751	\$ 1,696,751			Developer Fee (Acquisition Costs)	120,000	10%
	State Funds	\$ 1,500,000	\$ 1,500,000			Developer Fee (Non-Acq Costs)	1,273,037	15%
	County Funds	\$ 700,000	\$ 700,000			Total Development Fee	1,393,037	
	Total Debt	33%	\$ 3,896,751			Total Development Cost	\$ 11,742,132	
						Total Qualified Basis - REHAB	100%	9,550,194
						Total Qualified Basis - ACQ	100%	-
						Credit Percentage - REHAB	8.15%	778,341
						Credit Percentage - ACQ	3.49%	-
						TOTAL ALLOCATION		778,341
	Tax Credit Equity	\$ 0.970	\$ 7,549,830			ALLOCATION		778,341
	Total Equity	EQUITY %:	\$ 7,549,830			Overspending (Additional Basis)	\$ -	
	Deferred Developer Fee	3%	\$ 295,551					
	<b>TOTAL SOURCES</b>	100%	\$ 11,742,132					

Total Developer Fee \$ 1,393,037  
Total Current \$ 1,097,485  
Total Deferred \$ 295,551



# SUMMARY COST ESTIMATE

**FORM****212**

Project: Park View at Emerson  
Location: Howard County, Maryland  
Contractor: Whiting-Turner

Date: 30-Aug-06

Number of Units in Project: 80  
Gross Square Footage in Project: 82,575

Description of Work		Average Cost Per	Average Cost Per	Total Cost
Code	Item	GSF	Unit	
010-00	Total General Requirements	4.68	4833.63	\$ 386,690
021-00	Total Earth Work	1.81	1863.45	\$ 149,076
022-00	Total Site Utilities	1.71	1761.88	\$ 140,950
023-00	Total Roads And Walks	3.41	3520.81	\$ 281,665
024-00	Total Site Improvements	0.65	670.56	\$ 53,645
025-00	Total Lawns and Planting	0.83	858.00	\$ 68,640
026-00	Total Unusual Site Conditions	0.00	0.00	
027-00	Total Off-Site Improvements	0.02	19.80	\$ 1,584
030-00	Total Concrete	2.46	2535.29	\$ 202,823
040-00	Total Masonry	5.53	5710.05	\$ 456,804
050-00	Total Metals	0.25	257.40	\$ 20,592
060-00	Total Carpentry	18.90	19503.44	\$ 1,560,275
071-00	Total Waterproofing	0.87	901.21	\$ 72,097
072-00	Total Insulation	0.88	905.64	\$ 72,451
073-00	Total Roofing	0.79	820.49	\$ 65,639
074-00	Total Sheet Metal	0.15	158.40	\$ 12,672
081-00	Total Doors	1.65	1700.16	\$ 136,013
082-00	Total Windows	1.11	1150.05	\$ 92,004
083-00	Total Miscellaneous	0.06	66.00	\$ 5,280
092-00	Total Drywall	5.34	5510.03	\$ 440,802
093-00	Total Tile Work	0.47	488.40	\$ 39,072
095-00	Total Flooring	0.45	461.58	\$ 36,926
096-00	Total Painting and Decorating	1.99	2057.73	\$ 164,618
100-00	Total Specialties	0.83	859.98	\$ 68,798
112-00	Total Appliances	1.16	1195.00	\$ 95,600
121-00	Total Draperies and Shades	0.38	396.00	\$ 31,680
122-00	Total Carpeting	1.78	1833.48	\$ 146,678
130-00	Total Special Construction	3.50	3614.14	\$ 289,131
140-00	Total Elevators	0.88	904.20	\$ 72,336
151-00	Total Plumbing	5.09	5253.60	\$ 420,288
152-00	Total HVAC	3.60	3712.50	\$ 297,000
160-00	Total Electric	7.90	8156.95	\$ 652,556
180-00	Miscellaneous			
	SUBTOTAL			\$ 6,534,385



**Park View at Emerson**  
Howard County, MD

Operating Expense Assumptions (from Properties Budget)

Operating Expense Assumptions (from Properties Budget)				Construction		Year		Year		Year		Year		Year	
				Start		2		3		4		5		6	
				May-07		May-08		May-09		May-10		May-11		May-12	
Per Unit															
Payroll		116,000	3%	117,141	3%	120,663	3%	124,280	3%	128,006	3%	131,844	3%	135,807	3%
Professional Fees		8,500	3%	8,584	3%	8,842	3%	9,107	3%	9,380	3%	9,661	3%	9,951	3%
General & Administrative (excluding Management Fees)		28,105	3%	28,382	3%	29,235	3%	30,111	3%	31,014	3%	31,944	3%	32,904	3%
Resident Services		4,700	3%	4,746	3%	4,889	3%	5,035	3%	5,186	3%	5,342	3%	5,503	3%
Utilities	445	52,900	3%	53,421	3%	55,027	3%	56,676	3%	58,375	3%	60,125	3%	61,933	3%
Turnover		1,900	3%	1,919	3%	1,976	3%	2,036	3%	2,097	3%	2,160	3%	2,224	3%
Repairs and Maintenance		5,600	3%	5,655	3%	5,825	3%	6,000	3%	6,180	3%	6,365	3%	6,556	3%
Building Services		32,000	3%	32,315	3%	33,286	3%	34,284	3%	35,312	3%	36,371	3%	37,464	3%
Other Miscellaneous Operating Expenses - HOA		5,300	3%	5,352	3%	5,513	3%	5,678	3%	5,849	3%	6,024	3%	6,205	3%
Total Operating Expenses		255,005		257,514		265,256		273,208		281,399		289,835		298,548	
Insurance	265	21,200	3%	21,409	10%	23,554	3%	24,260	3%	24,988	3%	25,737	3%	26,510	3%
Taxes (per unit)	156		3%	158	3%	162	3%	167	3%	172	3%	177	3%	183	3%
Total Operating Expenses including Taxes & Insurance		276,205		279,080		288,972		297,635		306,558		315,749		325,241	
Replacement Reserves (per unit)	300			300		300		300		300		300		300	
Other Miscellaneous Expenses		-	3%	-	3%	-	3%	-	3%	-	3%	-	3%	-	3%
Total Expenses		276,205		279,380		289,272		297,935		306,858		316,049		325,541	

**Park View at Emerson**  
**Howard County, MD**

Operating Expense Assumptions (from Properties Budget)

	Year 7 May-13	Year 8 May-14	Year 9 May-15	Year 10 May-16	Year 11 May-17	Year 12 May-18	Year 13 May-19	Year 14 May-20	Year 15 May-21
Payroll	139,879 3%	144,072 3%	148,391 3%	152,852 3%	157,435 3%	162,154 3%	167,016 3%	172,037 3%	177,194
Professional Fees	10,250 3%	10,557 3%	10,874 3%	11,200 3%	11,536 3%	11,882 3%	12,238 3%	12,606 3%	12,984
General & Administrative (excluding Management Fees)	33,890 3%	34,906 3%	35,953 3%	37,034 3%	38,144 3%	39,288 3%	40,465 3%	41,682 3%	42,931
Resident Services	5,667 3%	5,837 3%	6,012 3%	6,193 3%	6,379 3%	6,570 3%	6,767 3%	6,970 3%	7,179
Utilities	63,790 3%	65,702 3%	67,672 3%	69,706 3%	71,796 3%	73,948 3%	76,165 3%	78,455 3%	80,807
Turnover	2,291 3%	2,360 3%	2,431 3%	2,504 3%	2,579 3%	2,656 3%	2,736 3%	2,818 3%	2,902
Repairs and Maintenance	6,753 3%	6,955 3%	7,164 3%	7,379 3%	7,600 3%	7,828 3%	8,063 3%	8,305 3%	8,554
Building Services	38,587 3%	39,744 3%	40,936 3%	42,166 3%	43,430 3%	44,732 3%	46,073 3%	47,458 3%	48,881
Other Miscellaneous Operating Expenses - HOA	6,391 3%	6,583 3%	6,780 3%	6,984 3%	7,193 3%	7,409 3%	7,631 3%	7,860 3%	8,096
Total Operating Expenses	307,498	316,717	326,211	336,018	346,092	356,467	367,154	378,191	389,529
Insurance	27,305 3%	28,124 3%	28,967 3%	29,838 3%	30,732 3%	31,653 3%	32,602 3%	33,582 3%	34,589
Taxes (per unit)	188 3%	194 3%	200 3%	206 3%	212 3%	218 3%	225 3%	231 3%	238
Total Operating Expenses Including Taxes & Insurance	334,991	345,034	355,378	366,061	377,036	388,339	399,981	412,005	424,357
Replacement Reserves (per unit)	300	300	300	300	300	300	300	300	300
Other Miscellaneous Expenses	- 3%	- 3%	- 3%	- 3%	- 3%	- 3%	- 3%	- 3%	-
Total Expenses	335,291	345,334	355,678	366,361	377,336	388,639	400,281	412,305	424,657



Park View at Emerson  
Howard County, MD

Loan Sizing

Debt Service Coverage					Loan to Value	
Unit Type	Average Rent	Number	Monthly GRP			Replacement Cost Basis
1BR;1BA - 60%	677.1	18	12,188	Vacancy	5.00%	Land/Agricultural Assessment
1BR;1BA - 50%	553.8	10	5,538	Investor Rate	5.75%	Construction Contract
1BR;1BA - 40%	431.4	24	10,354	Cushion	0.75%	Hard Cost Contingency
1BR;1BA - 30%	308.1	6	1,849	GNMA/Lender Fee	0.25%	Contractors Profit/Overhead
2BR;1BA - 60%	803.8	4	3,215	Trustee/Issuer	0.00%	Construction Interest (Debt)
2BR;1BA - 50%	656.2	0	-	Total	6.75%	Architect/Design
2BR;1BA - 40%	509.5	15	7,643	MIP	0.50%	Architect Supervision
2BR;2BA - 30%	361.9	3	1,086	Amortization	40	Acquisition/Debt Closing
Add additional Apartment Types	725	0	-	DSCR	1.11	HUD Lender Legal
Add additional Apartment Types	0	0	-	Amortization Factor	7.240%	GNMA custodian/application fee
Add additional Apartment Types	0	0	-	Loan Constant	7.740%	Warehouse set up fee
Total GRP		80	41,871	DSCR Loan Amount	1,696,751	MIP
Other Income			712			Examination & Inspection
Vacancy			(2,129)			Financing Fees
Total			40,455			Permanent Placement Fees
Annual Net Revenue			485,456			Title/Recording
Salaries and Benefits			117,141			Bond Issuer's Costs
Other Operating Expenses			161,781			Bond Issuer's Fees
Management Fee			24,273			Secondary Financing/Mortgage Broker
Taxes - 4% of GRP			12,480			Appraisal/Market Study/Noise
Replacement Reserves			24,000			Engineering/Survey
Misc.						Temporary Relocation
Total Operating Expenses			339,676			County Fees
Net Income			145,780			School Impact Fee
						Connection Charges/Tap Fees
						Permit and Review Fees
						Accounting
						Inspection
						Property Taxes / Insurance / Utility
						SPRA
						LTV
						Maximum Debt Under LTV
Maximum Debt (Lesser of DSCR and LTV)			\$ 1,696,751			
Actual Financing Fees	70,886					
% of Debt	4.178%			111735.5749		
Additional Fee to add to HUD Costs	(11,500)			90k for \$10 increase		
RE Tax Calculation			182,260		182,260	Increased Loan due to Pilot
Cap Rate			10%		0.085	\$ 112,666.70
Value			\$ 1,822,600		\$ 2,144,235	
State Tax Rate			0.00132		0.00132	
			2405.831397			
Per Unit			\$ 30			
Gross Rent Potential			\$ 502,457			
PILOT Amount			2%			
PILOT Amount			10049.136			
Per Unit			125.6142			
Taxes Per Unit			\$ .156			

**20-YEAR OPERATING PRO FORMA:**

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Low Income Units	\$ 502,440	\$ 517,513	\$ 533,039	\$ 549,030	\$ 565,501	\$ 582,466	\$ 599,940	\$ 617,938	\$ 636,476	\$ 655,570
Market Rate Units	\$									
Nonresidential	\$ 8,544	\$ 8,800	\$ 9,064	\$ 9,336	\$ 9,616	\$ 9,905	\$ 10,202	\$ 10,508	\$ 10,823	\$ 11,148
Gross Project Income	510,984	526,314	542,103	558,366	575,117	592,371	610,142	628,446	647,299	666,718
Vacancy Allowance	(25,122)	(25,876)	(26,652)	(27,451)	(28,275)	(29,123)	(29,997)	(30,897)	(31,824)	(32,779)
Effective Gross Income	\$ 485,862	\$ 500,438	\$ 515,451	\$ 530,915	\$ 546,842	\$ 563,247	\$ 580,145	\$ 597,549	\$ 615,475	\$ 633,940

**Expenses**

Administrative	\$ 88,295	\$ 90,944	\$ 93,672	\$ 96,482	\$ 99,377	\$ 102,358	\$ 105,429	\$ 108,592	\$ 111,849	\$ 115,205
Management Fee	24,293	25,022	25,773	26,546	27,342	28,162	29,007	29,877	30,774	31,697
Utilities	46,696	48,097	49,540	51,026	52,557	54,133	55,757	57,430	59,153	60,928
Maintenance	95,436	98,299	101,248	104,285	107,414	110,636	113,956	117,374	120,895	124,522
Taxes and Insurance	59,657	61,447	63,290	65,189	67,144	69,159	71,234	73,371	75,572	77,839
Replacement Reserve	24,000	24,720	25,462	26,225	27,012	27,823	28,657	29,517	30,402	31,315
Total Expenses	\$ 338,377	\$ 348,528	\$ 358,984	\$ 369,754	\$ 380,846	\$ 392,272	\$ 404,040	\$ 416,161	\$ 428,646	\$ 441,505
Net Operating Income	\$ 147,485	\$ 151,909	\$ 156,467	\$ 161,161	\$ 165,996	\$ 170,975	\$ 176,105	\$ 181,388	\$ 186,829	\$ 192,434

**Debt Service Financing**

Taxable Bonds	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Tax-exempt Bonds										
Private Loan	131,273	131,273	131,273	131,273	131,273	131,273	131,273	131,273	131,273	131,273
Rental Housing Funds										
HOME (CDA)										
HOME (non-CDA)										
Total Debt Service	\$ 131,273	\$ 131,273	\$ 131,273	\$ 131,273	\$ 131,273	\$ 131,273	\$ 131,273	\$ 131,273	\$ 131,273	\$ 131,273
Cash Flow	\$ 16,212	\$ 20,636	\$ 25,194	\$ 29,888	\$ 34,723	\$ 39,702	\$ 44,832	\$ 50,115	\$ 55,556	\$ 61,161
Debt Coverage Ratio	1.12	1.16	1.19	1.23	1.26	1.30	1.34	1.38	1.42	1.47

**Cash Flow Financing**

Rental Housing Funds	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229
HOME (CDA)										
HOME (non-CDA)										
Other										
Total Cash Flow Debt	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229
Remaining Cash Flow	\$ (59,017)	\$ (54,593)	\$ (50,035)	\$ (45,341)	\$ (40,506)	\$ (35,527)	\$ (30,397)	\$ (25,114)	\$ (19,673)	\$ (14,068)
Debt Coverage Ratio	0.71	0.74	0.76	0.78	0.80	0.83	0.85	0.88	0.90	0.93



**20-YEAR OPERATING PRO I**

<b>Income</b>	<i>Year 11</i>	<i>Year 12</i>	<i>Year 13</i>	<i>Year 14</i>	<i>Year 15</i>	<i>Year 16</i>	<i>Year 17</i>	<i>Year 18</i>	<i>Year 19</i>	<i>Year 20</i>
Low Income Units	\$ 675,237	\$ 695,494	\$ 716,359	\$ 737,850	\$ 759,986	\$ 782,785	\$ 806,269	\$ 830,457	\$ 855,370	\$ 881,032
Market Rate Units										
Nonresidential	\$ 11,482	\$ 11,827	\$ 12,182	\$ 12,547	\$ 12,924	\$ 13,311	\$ 13,711	\$ 14,122	\$ 14,546	\$ 14,982
Gross Project Income	686,720	707,321	728,541	750,397	772,909	796,096	819,979	844,579	869,916	896,014
Vacancy Allowance	(33,762)	(34,775)	(35,818)	(36,893)	(37,999)	(39,139)	(40,313)	(41,523)	(42,769)	(44,052)
Effective Gross Income	\$ 652,958	\$ 672,547	\$ 692,723	\$ 713,505	\$ 734,910	\$ 756,957	\$ 779,666	\$ 803,056	\$ 827,148	\$ 851,962

**Expenses**

Administrative	\$ 118,661	\$ 122,221	\$ 125,888	\$ 129,664	\$ 133,554	\$ 137,561	\$ 141,688	\$ 145,938	\$ 150,316	\$ 154,826
Management Fee	32,648	33,627	34,636	35,675	36,745	37,848	38,983	40,153	41,357	42,598
Utilities	62,756	64,638	66,577	68,575	70,632	72,751	74,933	77,181	79,497	81,882
Maintenance	128,258	132,106	136,069	140,151	144,356	148,686	153,147	157,741	162,473	167,348
Taxes and Insurance	80,174	82,579	85,057	87,608	90,237	92,944	95,732	98,604	101,562	104,609
Replacement Reserve	32,254	33,222	34,218	35,245	36,302	37,391	38,513	39,668	40,858	42,084
Total Expenses	\$ 454,751	\$ 468,393	\$ 482,445	\$ 496,918	\$ 511,826	\$ 527,180	\$ 542,996	\$ 559,286	\$ 576,064	\$ 593,346
Net Operating Income	\$ 198,207	\$ 204,154	\$ 210,278	\$ 216,587	\$ 223,084	\$ 229,777	\$ 236,670	\$ 243,770	\$ 251,083	\$ 258,616

**Debt Service Financing**

Taxable Bonds	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Tax-exempt Bonds										
Private Loan	131,273	131,273	131,273	131,273	131,273	131,273	131,273	131,273	131,273	131,273
Rental Housing Funds										
HOME (CDA)										
HOME (non-CDA)										
Total Debt Service	\$ 131,273	\$ 131,273	\$ 131,273	\$ 131,273	\$ 131,273	\$ 131,273	\$ 131,273	\$ 131,273	\$ 131,273	\$ 131,273
Cash Flow	\$ 66,934	\$ 72,881	\$ 79,005	\$ 85,314	\$ 91,811	\$ 98,504	\$ 105,397	\$ 112,497	\$ 119,810	\$ 127,343
Debt Coverage Ratio	1.51	1.56	1.60	1.65	1.70	1.75	1.80	1.86	1.91	1.97

**Cash Flow Financing**

Rental Housing Funds	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229
HOME (CDA)										
HOME (non-CDA)										
Other										
Total Cash Flow Debt	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229	\$ 75,229
Remaining Cash Flow	\$ (8,295)	\$ (2,348)	\$ 3,776	\$ 10,085	\$ 16,582	\$ 23,275	\$ 30,168	\$ 37,268	\$ 44,581	\$ 52,114
Debt Coverage Ratio	0.96	0.99	1.02	1.05	1.08	1.11	1.15	1.18	1.22	1.25



Novogradac &amp; Company LLP

Affordable Housing Resource Center

# Rent & Income Limit Calculator

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## Step 3 of 3: Rent & Income Limits

You can view demographic information and a detailed list of affordable housing properties in [compsMART+](#).

Click on the view a historical chart of the data.

### Program and Location Information

Affordable Housing Program	IRS Section 42 Low-Income Housing Tax Credit (LIHTC)
Year	2006 (effective as of 3/08/06)
State	MD
County	Howard County
MSA	Baltimore-Towson, MD HUD Metro FMR Area
Based On	50% HUD Income Limits
Persons / Bedroom	1.5 Person / Bedroom
4-person AMGI	\$72,800

### HUD Published Income Limits







		30%	50%	80%
1 Person		\$15,300	\$25,500	\$40,800
2 Person		\$17,500	\$29,100	\$46,600
3 Person		\$19,650	\$32,750	\$52,450
4 Person		\$21,850	\$36,400	\$58,250
5 Person		\$23,600	\$39,300	\$62,900
6 Person		\$25,350	\$42,200	\$67,550
7 Person		\$27,100	\$45,150	\$72,250
8 Person		\$28,850	\$48,050	\$76,900
9 Person		\$30,600	\$50,950	\$81,550
10 Person		\$32,350	\$53,850	\$86,200
11 Person		\$34,100	\$56,800	\$90,850
12 Person		\$35,850	\$59,700	\$95,550

### LIHTC Income Limits (Based On 50% HUD Published Income Limit)

		60.00%	30.00%	40.00%	50.00%	140.00%
1 Person		30,600	15,300	20,400	25,500	42,840
2 Person		34,920	17,460	23,280	29,100	48,888
3 Person		39,300	19,650	26,200	32,750	55,020
4 Person		43,680	21,840	29,120	36,400	61,151
5 Person		47,160	23,580	31,440	39,300	66,024
6 Person		50,640	25,320	33,760	42,200	70,896
7 Person		54,180	27,090	36,120	45,150	75,852
8 Person		57,660	28,830	38,440	48,050	80,724
9 Person		61,140	30,570	40,760	50,950	85,596
10 Person		64,620	32,310	43,080	53,850	90,468
11 Person		68,160	34,080	45,440	56,800	95,424
12 Person		71,640	35,820	47,760	59,700	100,296



**LIHTC Rent Limits (before utility allowance deduction)  
(Based On 50% HUD Published Income Limit)**

Bedrooms (People)		60.00%	30.00%	40.00%	50.00%	FMR
Efficiency (1.0)		765	382	510	637	700
1 Bedroom (1.5)		819	409	546	682	791
2 Bedrooms (3.0)		982	491	655	818	950
3 Bedrooms (4.5)		1,135	567	757	946	1,220
4 Bedrooms (6.0)		1,266	633	844	1,055	1,507
5 Bedrooms (7.5)		1,398	699	932	1,165	

IRS Revenue Ruling 89-24 and the IRS Audit Technique Guide (page 2-4) require that the low-income housing tax credit rent & income levels start their calculations with the HUD published 50% AMGI (very low-income) amounts because the HUD published 50% AMGI amounts include certain HUD adjustments using Fair Market Rents. These adjustments raise income limits and subsequently rent limits for areas where rental housing costs are unusually high in relation to the median income. The result is that many counties have 50% AMGI amounts that are greater than 50% of the true statistical AMGI published by HUD (the 4-person AMGI we have shown above). Our rent & income calculator starts by default with the HUD published 50% AMGI amounts in accordance with IRS Revenue Ruling 89-24. The calculations also round down to the nearest whole dollar. Utility allowances have been input by the user and are not certified by Novogradac & Company LLP, nor do we make any representation about their accuracy.

Please note that although a particular county's four-person AMGI may have decreased from one year to the next, the 50% AMGI amount may or may not decrease because HUD requires that in no instance are 50% AMGI amounts less than the state's non-metropolitan AMGI.

This rent calculator does not calculate low-income housing tax credit income limits or rent limits greater than the 50% AMGI or 60% AMGI limits, depending on the minimum set-aside elected with the IRS on Form 8609 in accordance with Internal Revenue Code Section 42(i)(3)(A). In other words, if the 20/50 minimum set-aside was elected then 50% AMGI is the maximum allowed to qualify as a tax credit unit; or if the 40/60 minimum set-aside was elected then 60% AMGI is the maximum allowed to qualify as a tax credit unit.

The rent & income limits are applicable beginning with the effective date shown above and are good for 45 days after the next effective date. In other words, there is a grace period of 45 days to implement the new rent & income limits. For more information, see Revenue Ruling 94-57.

Before using these numbers, you should check with your state housing agency to make sure that these numbers agree with the numbers published by the state. Novogradac & Company LLP does not guarantee the accuracy of the amounts shown above. This calculator is designed only to be a quick reference tool. IRS guidelines and actual HUD amounts should be used for any final decisions.





## **6. TENANT SERVICES PLAN**

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Over the last thirty years, The FAHS Group has emerged as a leading residential multifamily developer, owner and manager of multi-family apartment homes throughout the nation. Our commitment to our residents and to the communities in which they live is evident in how hard we work to make a real difference in their lives. The innovative management services described below will make Park View at Emerson a truly service oriented community. The community will be managed by FAHS Properties, LLC, which will work with other local organizations and the residents of Park View at Emerson to provide services that meet the needs of the residents.

As described in Section III of this report, The FAHS Group has partnered with Howard County's Housing Commission (HCHC), who will identify resources and coordinate services to the residents of Park View at Emerson. HCHC has a vast array of public organizations that both specialize and focus on serving seniors. Over and above their resident services, HCHC's partnership with FAHS will ensure a successful, thriving community with unlimited resources for Park View at Emerson's residents.

### **Tenant Service Plan Approach**

FAHS believes that there are five key content areas that must be addressed in order to formulate a successful senior resident service plan: (1) health and wellness; (2) social activities and programs; (3) transportation; and (4) education, volunteerism, training and technology; (5) safety and security. For Park View at Emerson, we are creating a plan that encompasses these areas, which will be further tailored to the needs of our specific residents who will ultimately occupy this apartment community. The mission of this tenant service plan is to offer and coordinate the delivery of a wide array of supportive services designed to enhance the quality of life of our low- and moderate-income senior residents. Our goal is to ensure our residents enjoy market-rate style services that are consistent with other senior housing communities. To that end, FAHS will employ the necessary staff to not only meet, but continually seek services in addition to those in this plan.

### **Resident Service Director**

In addition to having a well formulated tenant services plan, it is equally important to have the right team in place to implement it and the right systems to ensure that it is executed properly. FAHS Properties employs a Resident Services Director (RSD), which allows management to be more innovative and proactive in addressing the needs of the residents of the various senior communities under management. The RSD has developed expertise in identifying community-based resources and services and is adept at bringing those resources to our Park View properties. This person is dedicated to working with the on-site property managers and Resident Associations (described below) associated only with FAHS's affordable elderly projects to develop and implement site-specific programs for the residents of their respective apartment communities. Specific functions of this person's role will be to:

- Work closely with the on-site manager at Park View at Emerson to identify community-based programs that are active in the Emerson neighborhood where the facility is located.
- Conduct a "Focus Group" of select residents to determine the effectiveness of services, the need for additional services, and assess the overall operations of the property. These groups serve to monitor the ever-evolving physical and social needs of residents, resident satisfaction with staff and services, and the overall wellness of the community.
- Define the minimum service standards and quality of service at each Park View property, regardless of location or size. These service standards are designed to provide residents with the basic service needs most often required by our residents.
- Monitor the Park View communities to ensure all tenant service programs outlined in the Tenant Service Plans are active and functioning as promised within the agreements.



## **Health and Wellness**

One of the greatest challenges facing an affordably elderly housing community is developing services and programs to meet the residents' needs as they age in place. FAHS continuously strives to identify innovative strategies and relationships to provide affordable services that assist the residents to remain independent with the highest levels of dignity and self-esteem. Seniors are very conscious of their health and well being. Health Services, Education Programs, and Nutrition play an important part in their lives. Following are examples of the Health and Wellness services that are planned for Park View at Emerson.

Seniors rely heavily on Pharmaceuticals and health supplies. Park View at Emerson has gained the support of a local Pharmacy in Laurel to provide service to the community. Main Street Pharmacy has kindly agreed to offer a daily delivery service for our residents. This is an invaluable service for our residents as there are often times that residents may be in need of Pharmaceuticals due to an illness that may prevent them from driving, or leaving their home.

Podiatry services are planned to be on site and offered in our Wellness Center. Onsite podiatry services are popular at many of our communities. A local Podiatry office, Main Street Podiatry Center, is currently providing onsite services to Park View at Laurel. Due to the success of the program at Laurel, Main Street Podiatry Center has offered to provide service to the future residents of Emerson as well.

As residents age in place, proper Nutrition becomes an important part of their Health. Changing health conditions require more restrictive diets. One of the challenges for many seniors is transportation to and from the grocery store. We are working with three vendors in order to meet those challenges.

Peapod, an online grocery delivery service operated by Giant Foods, may deliver anything offered in their stores to the residents door step upon the request of the resident. Peapod has agreed to offer our residents special discounts valued at \$40.00 off the first five orders. Residents may simply go on line and pick out whatever they need. Understanding that many seniors may not have computers or the required training to use the service, Volunteer students and the on site staff will periodically assist the residents with training on the property's on-site computers located in the building's computer center.

Meals on Wheels of Central Maryland have also offered service to our residents. The Park View communities have a long standing relationship with Meals on Wheels. Their mission is to enhance the quality of life through the provision of nutritious meals, personal contact and related services. This support will assist those which have difficulty cooking or experience financial difficulty paying for meals. The fees for this service are offered to our residents based on a sliding scale. Meals on Wheels will not deny anyone in need of food for their inability to pay.

### **Social Activities and Programs**

FAHS Properties sees the importance of helping residents establish a sense of community within their apartment community and in the greater community. To further that goal the RSD, in conjunction with the Property Manager, will identify and coordinate the social activities and programs for Park View at Emerson. These social activities will be geared to address the interest and desires of our senior residents. Together, with the resident's input, we will determine which activities should be offered at the site.

One of the first steps in building social, active lives in a community is to establish a Resident Council and Association. Once the property reaches 90% occupancy, Park View at Emerson will provide the Association with \$500 in seed money to begin its activities. The Council's responsibilities will include planning and holding social activities, acting as the intermediary between management and the residents, and assisting management in the day-to-day operations of the project. The management company will consult with the Residents Association on issues such as property rules and regulations (e.g., pet policy, hours of operation for services, etc.), management policies and property capital needs. Furthermore, the management company will work closely with the Residents Association to identify and provide the types of supportive, social and other services desired by the residents.

In addition to the activities organized by the Resident Association, the onsite Property Manager creates a monthly activity calendar and organizes events sponsored by management. Built into the operations budget are \$4,100 in funds to cover resident parties, weekly coffee hours, professional entertainment, and subsidy to help offset the costs of trips for shopping, sight



seeing, etc. The funds are also used to cover refreshment costs for monthly management meetings.

In order to accommodate these services, the building will feature several large common areas including a multi-purpose community room with adjacent warming kitchen, a laundry room, Computer / Educational Center, a Wellness / Medical Consultation Room, a Beauty Salon, Exercise Room, and Lounge areas. In order to encourage outdoor social activities, exterior amenities will include a porch and trellis in the front of the building, featuring attractive seating and landscaping. There will be Horseshoe Pits, Raised Planting Gardens, and a Barbeque Area with surrounding Picnic Tables and a Gazebo on the site to encourage outdoor social activities.

Every month the Property Manager will be responsible for holding a management meeting with the residents. The purpose of the meeting is to discuss building issues, upcoming activities, safety issues and general concerns. To ensure good communication with the residents, minutes of the meetings will be distributed to all residents so those that do not attend can stay in touch with the community. These minutes are also distributed to the respective District or Regional Manager, and RSD for review and comment.

### **Transportation**

Through our property experience and research, we've learned that roughly 70% of all Park View residents maintain their own transportation. Meeting the needs of the additional 30% is often quite challenging, and takes an innovative approach to meet those needs.

To meet the needs of transportation for the residents, FAHS has teamed up with a local non-profit organization called Neighbor Ride. Neighbor Ride is a highly acclaimed volunteer-based transportation program serving Howard County residents age 60 and older. The organization's goal is to help local seniors maintain a good quality of life by providing door-to-door transportation for medical appointments, religious services, educational pursuits, recreational and social events, grocery shopping, volunteer commitments, and other day-to-day activities.

By utilizing volunteers Neighbor Ride will provide low cost round trip transportation for the residents at Park View Emerson. Round trip fares range \$6.00 to \$10 for in-county travel; and from \$8 to \$30 for roundtrips to destinations outside of Howard, as far north as Baltimore

and as far south as DC. All fees are charged per trip, not per person, so spouses and friends can travel together and split the cost of the ride.

In accordance with our agreement, Neighbor Ride will establish a special account to be used to subsidize ride costs for the residents of Park View Emerson. Although already affordable, Park View at Emerson will provide an annual subsidy amount of \$500 to be placed in the account. Neighbor Ride will in turn use the funds to offset round trip fees for the residents. The subsidy provided will cover 20% of the round trip ride fees. If the amount required for subsidy exceeds the annual \$500 provided, Park View at Emerson will make additional funds available to keep the program going. Our annual budget allows for this fee.

### **Education Volunteerism and Training**

FAHS will work with the Howard County Office on Aging and local organizations to bring additional volunteer services and activities to Park View at Emerson and to encourage residents to participate in community activities. Examples of volunteer services arranged at our other Park View communities include the following: Tax preparation, shopping for the homebound, transportation, ecumenical worship services, bible study/discussion groups, cultural enhancement groups, peer counseling, other social contacts, and general educational services such as financial planning, Medicare/social security updates, renters' insurance, medigap insurance, personal enrichment, and elderlaw issues. In addition, the Office on Aging coordinates tax counseling services and directly administers the County's Senior Health Insurance Counseling and Advocacy Program.

The Howard County School System has agreed to coordinate a volunteer program with students seeking to satisfy community service requirements. In this agreement, students will visit with the residents and provide basic computer training. If the program grows significantly, and the program becomes high in demand, Park View at Emerson has the option to provide a paid internship to a student.

Computers equipped with internet access will be available to all residents in the multi-media room. Training will be provided to residents and coordinated through the Property Manager, Volunteer Students, and One Economy, a national non-profit organization established to help bring access to technology into the homes of low-income individuals. Through our





## 7. APPLICATION SCORING PROJECTION

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FAHS Development, LLC (FAHS) and The Howard County Housing Commission (HCHC) are pleased to submit this application for Park View at Emerson, a proposed 80-unit new construction affordable elderly housing community in Howard County, Maryland. The application requests \$778,270 in Low Income Housing Tax Credits.

The sponsors of this project have developed several other projects in the past few years that have been extremely successful in meeting the housing needs of Howard County's seniors. These properties leased up very quickly and currently maintain waiting lists, and as the market study for the project and the Howard County Consolidated Plan and Action Plan for the community indicate, there is a continued strong need for more affordable housing for seniors in Howard County. With Park View at Emerson, we seek to provide additional affordable, high quality units that can help address the continuing need for housing that is tailored to the elderly.

Based on our applications in previous rounds and our debriefing with several CDA representatives, the following is our understanding of the prospective rating and ranking of this application under the current criteria:

### 1. Capacity of the Development Team

- Development Team Experience – The development team is similar to the last round where we received full points under this category; however we have even further strengthened the team by partnering with the Howard County Housing Commission who will provide design consultation during development and serve as the tenant service coordinator to the residents of the building throughout the 40-year tax credit period. FAHS and HCHC have an excellent track record for successfully developing similar affordable housing communities. All of the members of the development team have also worked closely with FAHS on similar projects in the past. We anticipate receiving the full 50 points under this category.
- Financial Capacity – Considering the partnering with The Howard County



Housing Commission, the development team's financial capacity is as strong as or stronger than last round and we would expect to qualify for the maximum points under this category.

- MBE and WBE Participation - Site Resources, Inc. will serve as the Development Team's Civil Engineer and is a Maryland Department of Transportation (MDOT) certified Women-Owned Business Enterprise (WBE), certification number 96-165. Please note that CDA's current program guide indicates that the inclusion of a qualified WBE firm as the Civil Engineer for the project qualifies for ten points under this scoring category.
- Nonprofit/Housing Authority Participation - Howard County Housing Commission will be the 51% owner of the General Partner of the project, similar to projects in previous application rounds where we qualified for the maximum points under this category. As stated above, HCHC will provide design consultation during development and serve as the tenant service coordinator to the residents of the building throughout the 40-year tax credit compliance period. As discussed in detail with Mr. Stu Wechsler, Mr. Jonathan Herz and Mr. John Maneval, we anticipate receiving the full 15-point allocation for this category.

## 2. Public Purpose

- Community Revitalization and QCT, Rehab or Replacement Housing - The Park View at Emerson proposed development strongly represents the needs of the community and county as illustrated in several sections of Howard County's Consolidated Plan and Action Plan, which are the community revitalization plans for the county contained in Exhibit S of this application. Additionally, as requested by the CDA in our July 11, 2006 debriefing of the previous May 2006 application, we have further strengthened this section by obtaining a Howard County Department of Planning and Zoning letter dated 8.24.06 contained in Exhibits D & S, which confirms the project's location in a revitalization area and that the project contributes to the community revitalization plan in place for the area. Additionally, Howard County's Consolidated Plan specifically lists the affordable housing needs and goals, and specifically states their desire to

Revitalization Plan and Action Plan that reflects Howard County's desire to promote affordable housing throughout the county.

FAHS believes that this specific site presents a terrific opportunity for senior affordable housing, as Howard County has stipulated a required amount of affordable units on the development with the master developer, General Growth Properties (GGP), for this community. The subject parcel lies in a new master planned community that currently consists of single family detached housing and town homes, as can be seen in Exhibit F of this application. There are plans in development that consist of multi-family housing, additional town homes, and employment areas. GGP currently has entitlements for 100,000 SF of stores and restaurants at Emerson, which will serve as an additional amenity to the community. Currently, GGP is studying a village center retail concept that would include a supermarket with ancillary retail that is typically found in these types of centers. This overall master development reflects Howard County's commitment to affordable housing and smart growth within its new communities.

We have included a third-party analysis of operating expenses on the back end of the market study that further substantiates the development of Park View at Emerson. FAHS expects to receive the maximum points for this category.

- Other Investment in Community - The Park View at Emerson project is located in Howard County which, as evidenced by documentation in Exhibits S, T & U updated for this round, has experienced significant growth and other investment in the area and also has on-going development within close proximity to the project. Given the very high level of investment activity surrounding the site, paired with both the short-term & long-term planned future development, FAHS expects that the project would qualify for the full five points under this category. Additionally, Park View at Emerson meets the smart growth objectives of the community, as noted in the Howard County Department of Housing and Community Development's letter included in Exhibit S.



a lower elevation, the four-story building height will have a very similar appearance and feel. Our design will conform to GGP's final design guidelines.

As mentioned in the market study paragraph in this letter above, FAHS truly feels that this site is an outstanding location for an affordable housing development. It represents Smart Growth objectives of both the local community and state and is conveniently located between Baltimore and Washington, DC. FAHS has prioritized achieving a smarter, more efficient design and quality of development for Park View at Emerson and as stated above, expects to receive 55 of the available 55 points for this section.

**5. Leveraging and Cost Effectiveness**

- Leveraging of Non-State Resources - Based on the CDA methodology for this subcategories (which assumes an imputed equity raise rate of \$.91 per tax credit dollar, the project leverages 26.54% of all project costs, enough to qualify for one point under this category. Our calculations to support this are attached.
- Long-term subsidies (PILOT or Section 8) – As with the application in the previous round where we scored the maximum number of points in this category, the project includes a Payment in Lieu of Taxes (PILOT) from Howard County as well as other subsidies described in Exhibit CC of the application.

**Park View at Emerson**  
**Rating and Ranking Criteria/Scoring**

	Maximum Possible Points	PV @ Emerson Projected Points
<b>Capacity of Development Team</b>		
Development Team Experience	50	50
Financial Capacity	20	20
Deductions from Team Experience	-30	0
MBE and WBE Participation	15	10
Non-profit/Housing Authority Participation	15	15
	100	95
<b>Public Purpose</b>		
QCT/DDA Rehab or Community Revitalization Plan	10	5
Income Targeting (Below 60% of Median)	20	11
Long Term Use Restriction	5	5
Housing for People with Disabilities	5	5
Family Housing	5	0
Tenant Services	20	20
Small Scale Projects	5	0
Link to Public Housing Waiting Lists	5	5
	75	51
<b>Project Location and Marketability</b>		
Market Study	40	40
Other investment in Community	5	5
Rural Projects	10	0
	55	45
<b>Development Quality</b>		
Building Design fits community	7	7
Site layout well thought out	7	7
Units are Spacious and Well Designed	7	7
Material Selections are Good	7	7
Design Promotes Energy Efficiency	7	6
Site is Suitable	7	7
Opportunities for Recreation and Activities	6	6
Unit Amenities are Good	7	7
	55	54
<b>Leveraging and Long Term Subsidies</b>		
Leveraging of Non-State Sources	10	1
State Subsidy per Affordable Bedroom	10	0
Long Term Subsidies (PILOT or Sect. 8)	10	10
	30	11
<b>Total Points</b>	<b>315</b>	<b>256</b>
<b>Last Round Cutoff</b>		<b>254</b>

## INCOME TARGETING (con't)

STEP 2: Multiply number of bedrooms at each income level by the maximum income level for those bedrooms, add results

Target Inc	Total Brn Total	
30	6	180
40	24	960
50	10	500
60	18	1080
30	6	180
40	30	1200
50	0	0
60	8	480
30	0	0
40	0	0
50	0	0
60	0	0
		4580

STEP 3: Divide the result by the total number of bedrooms to get the weighted average percent of median income per bedroom

Total (bdr * inc level)	4580
Total bedrooms	102
Weighted Percent AMI	<b>44.90</b>

Step 4: Use chart to determine number of points

Wtd. Avg	Points	Wtd. Avg Points	
30-31	20	47	9
32-33	19	48	8
34-35	18	49	7
36-37	17	50	6
38-39	16	51	5
40-41	15	52	4
42	14	53	3
43	13	54-55	2
44	12	56-57	1
<b>45</b>	<b>11</b>	58-60	0
46	10		



## LEVERAGING CALCULATION

STEP 1: Calculate the tax credit equity that will be provided to the project

7,082,193

STEP 2: Calculate the total DHCD Subsidy

DHCD Loans	1,500,000
County Loan (HOME)	\$0
Total Subsidy	8,582,193

STEP 3: Calculate all project costs

Total Development Costs	10,349,096
Developer's Fee	1,393,037
Total Costs	11,742,132

STEP 4: Determine the costs associated with the affordable portion of the project

11,742,132

STEP 5: Determine the portion of the funds leveraged from other source

Total State Subsidy	8,582,193
Adjusted Costs	11,742,132
% State Funds	73%
Total Funds	100%
Less % State Funds	73%
% Leveraged	26.91%

Step 6: Calculate number of points based on chart

	Points
Over 65%	10
61-64	9
56-60	8
52-55	7
49-51	6
45-48	5
40-44	4
35-39	3
30-34	2
<b>25-29</b>	<b>1</b>
Less than 25%	0

## **7-E. LONG TERM SUBSIDIES**

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In addition to the long-term subsidy provided by the State, numerous other long-term subsidies are available to the project that will reduce the rent burden for the residents or otherwise provide operating or social service subsidy. The following are summaries of these subsidies:

1. The financial support package being provided by the County includes a Payment in Lieu of Taxes (PILOT) agreement. The PILOT directly reduces the operating costs which are payable on a current basis, so that the rents which must be charged to sustain the project can be reduced substantially. The Sponsor estimates that normal County property taxes would be approximately \$246 per unit. The PILOT will require an annual "must pay" obligation of 2% of effective gross income less project utilities, currently estimated to equate to approximately \$126 per unit per year in the first year. The term of the PILOT agreement is 40 years. The reduction in must pay County property taxes increases the net operating income of the project by approximately \$9,600 annually. This total savings over the 40-year term of the PILOT totals approximately \$384,000 or \$4,800 per unit in today's dollars. Likewise, the additional cash flow generated by the savings enables the project to support approximately \$111,736 in additional first mortgage debt (assuming a 6.75% interest rate and 1.11x debt service coverage). In the absence of a PILOT, a resident's rent would have to be increased on average by approximately \$120 per year (\$10 per unit per month) to offset the loss of net operating income from increased taxes. This increase in pro forma rents, which would further burden the residents with higher housing costs, likely would be unattainable and would therefore render the entire project unfeasible.
2. The financial support package being offered by the County includes \$700,000 in the form of a subordinate cash flow low interest loan. Depending ultimately on the County's source of funds, the County may request we structure the transaction similar to one of the two phases of Park View at Ellicott City or the Park View at Snowden River project. Either way, the impact of the County's \$700,000 contribution of financial assistance effectively reduces the capital costs and debt burden on the project, and has a similar benefit as the subsidies associated with the first mortgage.